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WORLD NEWS

RUC quizzes attacker over other killings

The man seized after a gun and grenade attack at a West Belfast cemetery on Wednesday is being questioned about other murders. The RUC said the man would face charges in connection with the cemetery attack.

One of the three men killed in the cemetery, Tom McErlean, 20, was buried not far from where he died.

Gephardt behind in poll

A Michigan opinion poll showed US Democrat Richard Gephardt far behind Michael Dukakis and Jesse Jackson in the state, in his final attempt to revive his presidential campaign.

Schools violence inquiry

Former Home Office Minister Lord Elton is to chair an independent committee of inquiry into disruptive behaviour in schools. Page 4

Iran attacks ships

Iran attacked three ships in the Gulf in retaliation for the Iraqi air strike against a tanker carrying some of its crude oil. Page 2

Palestinian barred

Israeli authorities barred a leading West Bank Palestinian from attending a Brussels seminar on Middle East peace.

Armenia vote

Communist Party leaders of a disputed region in Soviet Azerbaijan have voted for the area to be incorporated into neighbouring Armenia, an Armenian news agency said. Page 2

Space station plan

The European Space Agency approved an accord with the US National Aeronautics and Space Administration to build an international space station.

East German defects

A top East German official defected to West Germany, leading to the arrest of a suspected spy in a Bonn ministry.

Locust crop threat

Morocco appealed for aid to help fight swarms of locusts, estimated at 20 miles long and three miles wide, which are threatening the country's crops.

EC unemployment rise

Unemployment in the European Community climbed to 16.7m in January.

British Coal talks

British Coal and the South of Scotland Electricity Board began talks in Warrington to try to resolve the row over coal prices threatening Scottish mining jobs.

Jail alternative

Com[illegible] based alternatives to pris[illegible]ing considered for non-vi[illegible] offenders up to their early twenties, Home Office Minister of State Mr John Patten said.

Aid to Ethiopia

The European Community will grant $225m (£122.8m) worth of food aid to Ethiopia and other countries threatened by famine.

Percy Thrower dies

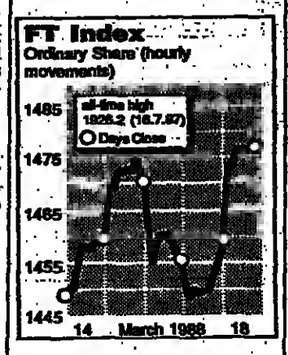
Television gardening expert Percy Thrower died in a Wolverhampton hospital. He was 75.

BUSINESS SUMMARY

Takeover approach to Crowther

JOHN CROWTHER Group announced an approach from an unnamed potential takeover bidder. Shares in Crowther, which itself used acquisitions to become one of Britain's biggest textile companies, surged 22p on the news. Back Page

EQUITIES moved ahead strongly yesterday as the market gave what seemed its first considered response to Tuesday's Budget.



Blue chip stocks were in demand and the FT ordinary index closed 17.7 higher at 1,476.8. Page 12 and Lex, Back Page

CARLO De BENEDETTI sold Buitoni, pasta to confectionery company, to Nestlé of Switzerland for L1,800bn (£784m). Back Page

BRIDGESTONE of Japan, the world's third biggest tyre manufacturer, is making a $2.6bn (£1.4bn) agreed bid for Firestone Tire & Rubber of the US. Back Page

ICI, Britain's biggest chemicals company, is to sell its car paints in Japan through a licensing deal with Nippon Oil and Fats. Page 3

APPLE Computers is taking legal action against two US rivals, alleging copyright infringement. Back Page

BRITAIN'S economy grew faster last year than in any year since 1973 and showed no sign of slowing after October's crash, official figures show. Page 3

BUILDING societies' mortgage lending reached a record £4.35bn last month compared with £2.88bn in January. Page 4

BRITISH GAS is putting up gas prices by an average 6 per cent from April 1. Page 4

MIRROR GROUP Newspapers is almost halving the number of its newspaper wholesalers in England and Wales.

WHIRLPOOL, big US washing machine maker fighting General Electric for control of appliance maker Roper, filed a lawsuit alleging GE interfered in a $350m (£192m) merger agreement it had reached with Roper. Page 10

PILLSBURY, the big US food group, is selling a restaurant chain it bought only three years ago but stressed that Burger King, its main holding, was not for sale. Page 10

LWT (Holdings) chairman Christopher Bland proposed that UK television franchise holders should face periodic performance reviews and that TV companies should be open to takeover. Page 8

SOTHEBY'S HOLDINGS, private US parent of the art auction group, hopes to go ahead with flotations in London and New York this spring. Page 8

HONGKONG LAND property group raised 1987 net profits to HK$1.1bn (£77.5m) from HK$920m. Page 10

Shares rise sharply in mixed Budget reaction but pound slips back

BY SIMON HOLBERTON

A SHARP RISE in share prices yesterday ended a week of mixed reaction by Britain's financial markets to Mr Nigel Lawson's fifth Budget and the subsequent cut in base rates.

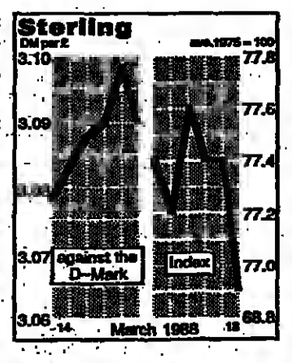
The FT-SE 100 share index closed 27.4 points higher at 1,855.5 and showed an improvement of almost 2.5 per cent over the week as the market experienced a delayed reaction to Tuesday's Budget and to Thursday's cut in base rates by ½ a percentage point to 8½.

Dealers and analysts said share prices also benefited from yesterday's money supply figures, which showed a rise in bank lending of £2.6bn in February compared with £5.5bn in January, and a weaker pound on the foreign exchanges.

After a strong opening, sterling closed ¾ of a pfennig lower at DM3.0900 as traders moved to take profits before the weekend and in the face of the dollar's renewed strength.

Not all sectors of Britain's financial markets, however, responded to the Chancellor's Budget with enthusiasm. In the gilt-edged securities market, prices for long-dated British Government bonds faltered and ended unchanged on their levels of a week ago.

Gilt market analysts remained concerned that Mr Lawson's £4bn tax cut might fuel overheating in the economy. They said the Treasury might have been too optimistic in its forecasts of 4 per cent inflation by the end of the year and a current account trade deficit of £4bn.



The extent to which share prices are underpinned by strong demand from City institutions is also unclear. Salomon Brothers, the US securities house, estimated that net institutional purchases of shares in London amounted to £9m yesterday compared with £10.3m on Thursday and nearly £35m on Wednesday.

Earlier the Bank of England said there had been a significant moderation in bank lending in February. Analysts said it was too early to discern a trend and noted that average bank lending for the past six months was still £4bn a month.

The narrow measure of money supply, M0, fell by 0.1 per cent in February, but grew by 5.3 per cent in the year to the end of the month. This annual rate is higher than the Treasury's target of 1 per cent to 5 per cent for the 1988/89 financial year, but is within the range for the current year of 2 per cent to 6 per cent.

The new broad measure of money, M4, which includes deposits with both banks and building societies, grew by 0.9 per cent in February and at an annual rate of 16 per cent. Lending by banks and building societies was £4.2bn against an average for the past six months of £5.1bn.

The Treasury has no explicit target for M4, but it indicated in the Budget that M4 had superseded sterling M3 as the broad money indicator which it considers when assessing monetary conditions.

The pound closed at $1.8205 compared with $1.8325 on Thursday. The Bank's trade-weighted sterling index closed 0.5 points down at 76.9.

Economic growth, Page 3; Feature and Editorial Comment, Page 6; Wall Street, Page 11; Money markets and London Stock Exchange, Page 12; Economic 'miracle', Back Page; Lex, Back Page; Family finance, Weekend section.

Nicaragua calls off attack on Contras in border zone

BY CHARLES CASTALDI IN MANAGUA AND LIONEL BARBER IN WASHINGTON

NICARAGUA said yesterday it had ended its major offensive against US-backed Contra rebels in the remote Honduran border zone, apparently defusing growing tensions between Washington and Managua.

The announcement was met with a renewed US pledge that American troops in Honduras would not engage in combat.

Lt Col Xavier Carrion, second-in-command of the Nicaraguan army's general staff, claimed the three-week offensive had been "a major blow to the Contras."

It had, however, been thought "prudent to end the political military operation in this border zone, given the fact that direct threats by the US were going to escalate tensions in the region."

The Sandinistas said 90 Contras were killed and 250 wounded. Of their own 4,500 troops involved in the operation, 38 had died and 70 were wounded.

In the US, President Ronald Reagan's decision to double the strength of US forces in Honduras continued to split Congress and provoked demonstrations across the country.

Mr Frank Carlucci, US Defence Secretary, said the deployment of 3,200 American troops in Honduras was an "exercise" expected to last about 10 days.

The decision makes it unlikely that Congress will draw up a new aid package for the Contras. The Administration had considered trying to exploit the Sandinista offensive by seeking Congressional support for military aid, but officials backed off yesterday.

Democrats accused the Administration of manufacturing a crisis, but many agreed that the Sandinistas had committed a political blunder by striking soon after this month's Congressional vote not to renew Contra aid.

Republicans said the Sandinista Government had exploited the lack of US military and humanitarian aid to strike a serious blow against the Contra rebels, whose main supply bases lie just inside the Honduran border.

The Sandinistas, in an effort to refute US accusations that their troops had invaded Honduras, on Thursday took foreign journalists to the confluence of the Coco and Bocay rivers, where part of the offensive against the Contra bases had taken place.

The Coco River marks the border between Nicaragua and Honduras as it winds through uninhabited and mountainous jungle terrain, much of which remains uncharted.

The Contra bases, established on both sides of the border, apparently served as key command centres, clinics and supply depots.

Lt Col Carrion said the army had attacked similar but smaller bases in the area last year, but that the Contras had returned. "This time, with the US air resupply having been cut off by Congress, they will have a much harder time coming back," he said.

Lt Col Carrion said his troops had orders not to cross the river, but that, given the ruggedness of the terrain, no one would know whether or not his men had crossed.

While Lt Col Carrion stood on the Nicaraguan side of the Coco river with journalists, two Honduran jets dropped a bomb on the Honduran side, another in the Coco river, and a third on the Nicaraguan side.

WPP suffers US agency blow

BY NIKKI TAIT

SIX TOP executives of Lord, Geller, Federico, Einstein, the Manhattan advertising company acquired last year by Britain's WPP Group, resigned yesterday, saying they planned to set up their own agency.

The executives include Mr Richard Lord, chairman and chief executive of Lord, Geller, and Mr Kevin O'Neill, executive vice president and creative director.

The departures will come as a blow to WPP, which acquired Lord, Geller as part of an ambitious $566m (£311m) takeover of the American JWT Group last July. Although JWT's largest subsidiary is the J. Walter Thompson advertising agency, the substantially smaller Lord, Geller agency is highly regarded for its creativity and strong growth.

Having weathered much speculation about client losses in the wake of its bid, the British company appeared to be convincing analysts and investors that its strategy of tighter financial controls could be achieved without incurring further client/employee unhappiness at JWT's operating companies. The Lord, Geller departures will be seen as a setback.

Reports from New York yesterday suggested that the six planned to call their new agency Lord, Einstein, O'Neill & Partners, and that Young & Rubicam, a privately-owned advertising agency, will be a seventh minority partner in return for unspecified financing.

The news broke as WPP's chief executive Mr Martin Sorrell, the former Saatchi & Saatchi finance director, was visiting the US. WPP's London office declined to comment on the departures, and Mr Sorrell was believed to be talking to Lord, Geller employees.

Rumours of a rift between the US agency and its UK parent surfaced earlier this year when the US company opposed a plan by WPP to set up a second agency network in Europe, involving Lord, Geller. There was further tension last month when Lord, Geller had discussions with General Motors over the account for a new car, Saturn.

One of J. Walter Thompson's largest accounts is the Ford Motor Company, and the matter ended with a statement from Mr Sorrell saying that "there is no substance whatsoever" to the idea that Lord, Geller would participate in the Saturn project.

US and EC make progress on Airbus dispute

BY WILLIAM DULLFORCE IN KONSTANZ

US AND European Community trade ministers said yesterday they had made important progress towards settling their long-running dispute over government subsidies for the European Airbus and agreed to continue negotiating.

Mr Willy de Clercq, the European Commissioner for External Affairs, announced after a five-hour session in Konstanz, West Germany, that compromises had been secured on five issues and negotiators were close to agreement on three more.

Mr Clayton Yeutter, the US Trade Representative, made clear, however, that there were substantial differences of interpretation over key items.

Mr de Clercq said the two sides agreed that future government aid to Airbus would be granted only for research and development and not for production.

Any final agreement would also include a clause allowing governments to step in with assistance when companies faced unforeseeable financial troubles.

The two sides also agreed to observe Gatt rules banning certain inducements to aircraft buyers; to set up a consultation mechanism; and, in principle, to invite other countries to adhere to the eventual US-EC accord.

Officials were close to agreeing in principle that any deal should involve similar rules for both direct and indirect subsidies; disclosure of subsidies; and on appraisal of the commercial viability of the aircraft programmes.

Still unresolved are three central issues, including the precise terms under which government support would be permitted; definitions of acceptable commercial business practices; and "transparency" arrangements to enable third parties to gauge the actual level of subsidisation.

The ministers will discuss Airbus in mid-May at a meeting of the Organisation for Economic Co-operation and Development

Mr Yeutter rejected an EC claim that the agreement would allow it to provide assistance to Airbus to offset the sharp fall of the dollar. It has been insisting on such a clause. He said the ban on future production support was an important step, but disputed the EC assumption that it would not apply to the Airbus long-range 330 and 340 aircraft under development.

He said a decision to treat direct and indirect subsidies alike under any agreement would pose a problem of quantifying such subsidies which had not been addressed yet.

In response to US industry charges that Airbus has received $12bn (£6.59bn) in government funding, Airbus Industrie has recently calculated that US manufacturers have received $23bn over the last 10 years in indirect subsidies, mostly funding for military research and development.

Both sides at yesterday's meeting recognised that the French government was unable to accept essential compromises before the presidential election in May.

The dispute might be defused by talks on co-operation between Airbus Industrie and McDonnell Douglas. The US civil aircraft manufacturer and Boeing, its bigger compatriot, triggered the US Administration's charges of unfair trading against Airbus, fearing they could be threatened by its subsidies.

Unions hope that Ford will reconsider Dundee project

BY CHARLES LEADBEATER AND PHILIP BASSETT

MOTOR INDUSTRY union leaders will meet the TUC and the Scottish TUC on Monday in a last-ditch attempt to persuade Ford of America to overturn its decision to cancel plans for a £40m electronics plant at Dundee in Scotland. They hope to agree a union recognition package that will be acceptable to the company.

The US concern yesterday confirmed that it was pulling out of the project. It said it saw no prospect of other motor industry unions accepting the single union agreement it had sought with the AEU engineering union.

Ministers believe there is little chance that Ford will reconsider its decision. The company said it might well listen politely to any new proposals, but senior company executives indicated there was no chance that the decision would be overturned.

However, it is understood that Ford has not yet opened discussions to relocate the plant in Europe and yesterday the STUC wrote to the company asking it to suspend its decision for a week.

Two options will be considered

Continued on Back Page
Union row, Page 5;
Ford and single-union deals, Page 7

WEEKEND FT

MARKETS

DOLLAR

New York lunchtime:
DM 1.6967 5
FFr 5.76
SFr 1.4050
Y128.325
London:
DM 1.6975 (1.6905)
FFr 5.765 (5.74)
SFr 1.4055 (1.401)
Y128.35 (128.6)
Dollar index 94.3 (94)
Tokyo close Y128.35

US LUNCHTIME RATES

Fed Funds 6%
3-month Treasury Bills: yield: 5.77%
Long Bond: 103 11/32 yield: 8.55%

GOLD

New York: Comex April $444
London: $443 (443.25)

STERLING

New York lunchtime $1.823
London: $1.8205 (1.8325)
DM 3.09 (3.0975)
FFr 10.495 (10.52)
SFr 2.5575 (2.5675)
Y233.75 (same)
Sterling index 76.9 (77.4)

LONDON MONEY

3-month interbank: closing rate 8⅝% (8%)

NORTH SEA OIL

Brent 15-day April (Argus) $14.92 (14.47)

STOCK INDICES

FT Ord 1,476.8 (+17.7)
FT-A All Share 951.46 (+1/4%)
FT-SE 100 1,855.5 (+27.4)
FT-A long gilt yield index: High coupon: 9.17 (9.12)
New York lunchtime: DJ Ind Av 2,093.17 (+7.13)
Tokyo: Nikkei 25,966.25 (+93.97)

Chief price changes yesterday: Back Page

Austria Sch22; Bahrain Din0.650; Bermuda $1.50; Belgium BFr48; Canada C$1.00; Cyprus C£0.75; Denmark DKr9.00; Egypt E£2.25; Finland Fmk7.00; France FFr6.50; Germany DM2.20; Greece Dr100; Hong Kong HK$12; India Rup15; Indonesia Rp3,100; Israel NS3.50; Italy L1600; Japan Y600; Jordan Fils.500; Kuwait Fils.500; Lebanon $1.125; Luxembourg LFr48; Malaysia Rin4.25; Mexico Pes300; Morocco Dh6.00; Netherlands Fl3.00; Norway Nkr10.00; Philippines Pes20; Portugal Esc100; S.Arabia Rls7.00; Singapore S$4.10; Spain Pta125; Sri Lanka Rup30; Sweden SKr9.00; Switzerland SFr2.20; Taiwan NT$85; Thailand Bht50; Tunisia Din0.800; Turkey L500; UAE Dh6.50; USA $1.00.
SELLING PRICE IN IRELAND 60p

CONTENTS

OVERSEAS NEWS

Worrall launches S African party

By Jim Jones in Johannesburg

DR DENIS WORRALL, South Africa's former ambassador in London, has launched a political party, the Independent Movement (IM), committed to a non-racial, democratic South Africa.

It was introduced to about 1,000 supporters on Thursday evening in Somerset West, in the eart of the Helderberg constituency Mr Worrall contested unsuccessfully in the general election of last May.

Dr Worrall appealed for support from South Africans concerned that the Government's reform process has stalled. He said the recent clamps on 17 anti-apartheid groupe proved reform was stalled, adding that South Africa had bought comparative stability at enormous cost to civil liberties and justice.

Passport refused

The attorney for freed African National Congress leader Govan Mbeki said the Government had denied his request for a passport, which he had sought in order to accept overseas invitations and visit his three children living in exile, AP reports from Johannesburg. The attorney, Priscilla Jana, said no reason was given for the denial.

Mr Mbeki was freed from prison in November after serving 24 years of a life sentence for treason and sabotage in connection with his activities as chairman of the outlawed ANC.

Anger at Finnish law

Proposals for Finland's labour laws, approved unanimously by the Government yesterday, have caused uproar among employers, writes Olli Virtanen in Helsinki.

The laws if passed would lengthen terms for giving notice, require more consultation in cases of dismissal and, say employers, increase bureaucracy in the Finnish economy.

Employers' organisations estimate that the proposed rules would cost companies more than FM 1bn (£140m) a year because of the longer notice period.

Brazilian cash find

Brazilian police said they recovered much of the $8m (£4.4m) stolen from an aircraft at Rio de Janeiro airport this year, John Barham reports from Sao Paulo.

Yesterday, police were still counting bundles of $100 notes but estimated that they have recovered at least $6m. They have arrested four employees of an airport service company.

Sime Darby death

Tun Tan Siew Sin, chairman of Sime Darby, Malaysia's largest non-oil company and a long-time finance minister, has died of a heart attack aged 72, writes Wong Sulong in Kuala Lumpur.

Tun Tan was finance minister from 1957 to 1974, pursuing conservative fiscal policies which are credited with having brought steady economic growth and low inflation for the country. He resigned after he felt he was bypassed for the post of deputy prima minister.

Bangladesh fighting

Nearly 100 people were injured when Bangladesh students armed with rocks and hockey sticks fought with police trying to prevent cheating during school final examinations, Reuter reports from Dhaka.

Police fired blanks and used batons and teargas to disperse hundreds of students in an examination centre shouting: "We seek the right to copy" and "Allow friends to help us."

S Korea candidates

South Korea's ruling party announced its 219 candidates for next month's National Assembly polls. Several senior sitting members have been dropped, Reuter reports from Seoul.

Among those dropped are Kwon Ik-hyon, once party chairman and a close associate of former President Chun Doo Hwan, and Kwon Jung-dal, a former secretary general who played a pivotal role in founding the party eight years ago.

West German far right brings gloom and loathing to the campaign trail

BY DAVID MARSH IN BONN

WEST GERMANY'S far-right Republican party, founded to gather votes from disenchanted conservatives, is making a singularly depressing bid for support in local elections tomorrow in the southern state Baden Wuerttemberg.

Far from holding out utopian promises, the party's leader, Mr Franz Schoenhuber, a former Bavarian TV journalist, has adopted a message of unremitting gloom as his best method of securing votes.

Mr Schoenhuber, who will have attended more than 70 meetings throughout the state by the time polling takes place, is a doomsayer. He told a recent election gathering in Esslingen, near the state capital of Stuttgart, that the Germans were losing markets to the Japanese because they did not work hard enough. They lived in a "sated and over-fed" society where even foreign *Gastarbeiter* (guest workers) looked after their families better.

He termed many of the younger German generation "hate-filled". In the 1930s they would soon have put their left-wing affiliations aside and entered the Nazi SS.

The Republicans, claiming about 5,000 members, became known when it garnered 3.1 per cent of the votes in the conservative stronghold of Bavaria in state elections there in October 1986. Its aim is to achieve at least 1.5 per cent of the votes in more moderate Baden Wuettemberg. But some opinion polls are suggesting that discontent with the ruling Christian Democrats could see a repeat of the 3 per cent score.

The party tries to appeal to Germans' patriotic instincts and a certain latent xenophobia. It separates itself firmly from the neo-Nazi NPD movement.

Answering questions about Israeli soldiers beating up Palestinans in the occupied territories, Mr Schoenhuber, who is aware of the opprobium attached to anti-Semitism, refuses even to use the word "Jews" and instead talks about the Americans in Vietnam.

Most of the 80 in the audience at a recent meeting looked distinctly fed up. Their downtrodden air seemed to increase as Mr Schoenhuber, bronzed, fit and looking much younger than his 64 years, warmed to his well-rehearsed pessimism.

"The Federal Republic is ruled by the Americans just like the Russians dominate the East," he says. "The only difference is the manner of treatment – we are given more freedom."

Guilt over the war was used by other countries to subject West Germany to "permanent economic blackmail". European Community policies were destroying farmers which could mean "the end to the existence of the German people".

Other countries pretended to be West Germany's friend only because of the strength of the D-Mark, he said. But, if it came to war, no one would be ready to die for the freedom of the Germans. And, pitching into the latest row over US nuclear weapons in Europe, he declared: "We are not ready to die for Wall Street."

Mr Schoenhuber has one message of good cheer, curiously enough centred on Mrs Margaret Thatcher, the British Prime Minister: "West Germany's fate would be in better hands under the Iron Lady," he declared. He also believes in "British democracy" and the BBC.

The local Esslinger candidate is a woman, in the form of Dr Sigrid Doerflinger, a frail 63-year-old pensioner. She says she is "perturbed" at the way the "Christian West" is under threat, and that the Turks do not belong in Europe. She gets a big hand when she says she is not a Nazi.

Iranian attacks raise fears of new tanker war

BY OUR MIDDLE EAST STAFF

IRAN yesterday attacked three vessels in the Gulf in retaliation for Iraq's air strike on Tuesday against a supertanker carrying Iranian crude oil, in a development threatening a full resumption of the "tanker war".

Meanwhile Iraq blitzed Tehran with six more missiles and Iran claimed new gains in its offensive on the northern front.

In the Iranian attacks on shipping, three vessels were reported to have been hit by gunboats, the first action against vessels engaged in Arab oil trade since mid-February when Iraq, under considerable diplomatic pressure, particularly from the US, halted its campaign against Iranian oil traffic.

The ships attacked were the Berge Lord, a 284,494-tonne Norwegian supertanker, the Neptune Sunaru, a Singapore-registered tanker, and Maria 2, a 4,172-tonne liquid gas carrier which was said by Gulf shipping executives to be Japanese-owned but flying the Panamanian flag.

It was not immediately known whose terminals they were servicing.

The Iranian gunboats which rocketed and machine-gunned the Neptune Sunaru sped away when a French warship and Omani patrol boat intervened.

Iraqi aircraft struck at least one vessel on the shuttle run between Iran's main terminal at Kharg Island and transhipment points in the southern Gulf.

The 80,137-tonne Cyprus-registered tanker Kyrnicos was set ablaze, according to Lloyd's Shipping Intelligence, which said the fire was later extinguished. It said the vessel had been abandoned by its crew, some of them injured.

Iraq said its aircraft had hit two targets but reports that another vessel was on fire near the Iranian port of Bushehr had not been confirmed by last night.

It triggered off the resumption in the "tanker war" on Tuesday by attacking the Greek-owned Trade Fortitude, its first confirmed strike since February 15.

A further extension of what has proved to be an increasingly frenzied round of the conflict was indicated by war communiques issued by both sides.

Baghdad said that 800 Iranian troops had been killed in overnight battles when an offensive on the central front was repelled.

Iran claimed that its forces had taken three settlements on the northern border, including Nowsud, which had been under Iraqi occupation since the early days of the seven-and-a-half year war.

Moscow praises Yugoslav independent socialism

THE SOVIET Union formally acknowledged yesterday that the "socialist self-management" pioneered by independent-minded Yugoslavia is "of the highest importance" and should prove useful in modernising the Soviet economic system, AP reports from Dubrovnik.

In a joint declaration issued as the Soviet leader Mr Mikhail Gorbachev ended a five-day visit to Yugoslavia, the two sides agreed eastern European nations were free to follow "any paths to socialism", the first time this view has been outlined in a formal policy statement.

The unsigned documant, exchanged by Mr Gorbachev and Yugoslav President Lazar Mojsov at a meeting on Tuesday but withheld until yesterday, supersedes landmark declarations issued in 1955 and 1956 acknowledging Yugoslavia's independence from the Soviet bloc.

The two sides called for "a radical reform of international economic relations".

The document contained an acknowledgement of the importance of the non-aligned movement, of which Yugoslavia is a leading nation.

"In the contemporary world, afflicted by dangerous and numerous problems, a prominent role is played by the policy of non-alignment," the declaration said.

Local party backs call to reunify Armenia

COMMUNIST Party leaders of a disputed region in Soviet Azerbaijan have voted for the area to be incorporated into neighbouring Armenia, an Armenian news agency spokesman said yesterday, Reuter reports from Moscow.

Armenpress, the official Armenian news agency, said the regional party committee of Nagorno-Karabakh adopted a resolution at a plenary meeting on Thursday calling for the move.

It was the first time the local party had publicly supported the proposal, which was overwhelmingly approved by the Nagorno-Karabakh parliament in February.

Officials say 34 people have been killed in Azerbaijan in recent unrest over whether Nagorno-Karabakh should be re-united with Armenia.

The disputed area is largely populated by Armenians but administered by Azerbaijan.

Soviet experts said the Nagorno-Karabakh party vote represented a challenge to the capital of Azerbaijan, Baku, where the Communist Party press repeatedly has stressed the importance of the disputed region to the republic.

The vote also placed additional pressure on the Kremlin in what is already one of the most serious problems to face Soviet leader Mr Mikhail Gorbachev.

Refugees from the Azerbaijani "pogrom" city of Sumgait are arriving daily in the Armenian capital of Yerevan by aircraft, car and bus, Yerevan residents said yesterday.

The residents, contacted by telephone from Moscow, said some arrivals had been shown on Armenian television and local officials had been on hand to greet the refugees.

Yerevan Radio, monitored by the BBC in London, said 1,661 refugees had arrived since Azerbaijani mobs hunted and killed Armenians in a day of rioting in Sumgait on February 28.

According to official figures, 32 people died. Armenians from Sumgait arriving in Moscow have said the toll was higher and have given horrific accounts of the violence.

Israel combines sanctions with force to subdue Palestinians

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL'S Army Chief of Staff, Lieutenant-General Dan Shomron, yesterday spelt out the new strategy being adopted by the Israel Defence Forces to try to subdue the 14-week uprising in the occupied Palestinian territories.

In an interview with the Israeli daily newspaper Davar, he said the goal was to utilise a judicious mixture of military force and economic pressure to reduce the rebellious population to a state of exhaustion.

Gen Shomron, a political liberal, has stood firm against a ruthless use of the army's firepower.

He said that although the new tactics would not eliminate the violence completely, they should reduce the scope for action by militants to a more tolerable level.

Israeli troops, persisting with their recent practice of closing wide areas to journalists, yesterday sealed off the entire Gaza Strip. There were violent clashes in Gaza City's Beach Camp in which one man died and 21 were injured.

Over the past week, the military authorities have applied one sanction after another on the two regions' Arab population of 1.5m, carefully exempting the 70,000 Jewish settlers in their scattered enclaves.

Technically in violation of the Fourth Geneva Convention, these include a ban on fuel oil supplies, cutting international telephone links, halting movement between the West Bank and the Gaza Strip and severe foreign travel curbs.

General Shomron: opposed to ruthless military force

To renew a driving licence or travel abroad, Palestinians now have to demonstrate that they are up to date with their Israeli taxes.

Other measures include closing the important fruit and vegetable wholesale markets in Jericho and Jenin, a selective ban on the export of goods to Jordan or Israel and forcing shops to open beyond the restricted hours dictated by the underground leadership.

In an attempt to increase a sense of isolation and cut off activists from grassroots supporters, an indefinite night curfew has been imposed on the entire Gaza Strip, internal telephone links to individual refugee camps or villages are frequently severed with no warning and troubled areas are closed off entirely, sometimes for weeks.

One person who welcomes the Israeli tactics unreservedly is Mr Mubarak Awad, a Palestinian-American advocate of non-violence whose expulsion back to the US last autumn was stayed only after strong public pressure from Washington.

Pushing for a total severing of ties between the occupied territories and Israel, Mr Awad told the Jerusalem Post: "Collective punishment at this time is good for us. The cut-off of electricity, phones, fuel and perhaps even water means that Israel is doing the job of separation for us. Collective punishment strengthens us morally, spiritually, and unites us. It is our water and our spirit."

The army has hinted that the closing of the bridges across the Jordan river to the East Bank – a lifeline for many Palestinians – could be the next step. Turning off their electricity, of which more than 90 per cent is supplied by Israeli generators, would be as easy as flipping a switch.

In the higher-stakes game being played out in the occupied territories, the question of most importance for the future course of the uprising is: does Gen Shomron or Mr Awad have his finger more accurately on the pulse of the ordinary Palestinian, tired and fed up of the disruption of daily life, but increasingly militant?

Steady French growth forecast

BY GEORGE GRAHAM IN PARIS

THE FRENCH Government sees no signs of an economic recession in the wake of the stock market crash, and forecasts stable growth over the next two years.

The national accounts commission, which met yesterday, forecasts growth of 1.9 per cent this year and in 1989, compared with 2.1 per cent last year. Although the forecast is slightly lower than the 2.2 per cent growth predicted for 1988 in the Government's budget in September, the projections still show no serious slowdown in activity.

Household consumption is even projected to rise faster than previously expected, expanding 1.9 per cent in 1988 and 1.6 per cent in 1989.

Some private sector forecasters expect more of a slowdown in 1988. The Bureau d'Informations et Prévisions Economiques (BIPE) shows household consumption growing by only 1.3 per cent in 1989, with gross domestic product growth falling to 1.7 per cent this year and 1.3 per cent in 1989.

The French government figures show a continuation in the slowing of the inflation rate. Consumer prices are forecast to rise by an average of 2.5 per cent in both 1988 and 1989, compared with an average of 3.1 per cent last year.

The prospects for employment, however, are viewed more gloomily. Employment is expected to stagnate completely in both 1988 and 1989, after only 0.1 per cent growth last year.

The Government has also revised its optimistic budget forecasts for French trade performance. Exports are now projected to grow by 3.5 per cent this year, slower than expected, while imports are expected to grow by 4.3 per cent.

The French trade surplus in goods and services is now forecast at FFr10.3bn (£979m) this year, half the figure originally forecast. The merchandise trade deficit, nevertheless, is forecast to remain stable at FFr30.5bn this year and FFr30bn in 1989, thanks partly to better than expected terms of trade.

Charlie, raider of the lost files

By Louise Kehoe in San Francisco

THERE is a "Charlie" in every town. The trick is to find him. Charlie in Los Angeles knows how to grease the wheels at the maddeningly bureaucratic Federal Court House.

He can circumvent regulations that seem to have been designed to make it impossibly difficult and time-consuming to achieve even the very simplest of tasks.

Recently, Charlie assisted this reporter in obtaining a tomb of documents filed in connection with the arrest and forthcoming extradition hearings for a certain Anthony Parnes, the former London stockbroker wanted in connection with the Guinness affair.

In theory, these documents are freely available for public viewing at the court.

Practice turns out to be very different from theory. A first visit to Los Angeles last week established only that the files were "lost". Charlie later confirmed that they had been "lost" since December. Even he had been unable to find them.

It will never be known whether it was persuasive phone calls to court officials, or the greenbacks placed in Charlie's hand, or happenstance, that caused the files strangely to materialise the next day.

Hence another trip to Los Angeles, this time, with the premonition that it could become a regular shuttle, taking a few moments to complete an application for United Airline's "Freqnent Flier" programme.

With the Parnes files finally in hand, another big stumbling block presented itself. The clerk of the court limits copying of files to just 35 pages. The Parnes file runs to thousands of pages. For "Freedom of Information" read freedom to spend a week at the Court House poring over the files.

It was Charlie's influence, and several more dollars, that made it possible to obtain copies of hundreds of pages of testimony by the next morning. He even offered to bring them to the hotel.

Competitive pressures preclude identifying Charlie by his real name, but he is the kind of street-smart kid who could run rings around the peculiarly American power-tie-wearing lawyers who were standing in line that day to receive 35 pages each from chosen legal documents.

Thanks to Charlie, [illegible] was possible to celebrate "[illegible] edom of the Press Day" with a glass of United Airlines wine on my return trip to San Francisco. This annual celebration of the First Amendment of the US Constitution had not previously been uppermost in the mind.

It seemed, however, to be particularly appropriate after such herculean efforts to exercise the rights that it protects in theory, if not always in practice.

What irony, though, that because such freedoms are not equally protected in Britain, much of what is contained in those public files will remain unpublished.

The only personal recommendation, for those similarly moved, is to talk to Charlie, but be sure to have a pocket full of greenbacks. You may then argue the toss with your British taxman, post Budget, as to whether or not Charlie could be considered a foreign businessman, the entertaining of whom no longer is a deductible expense.

Chris Sherwell on a state election being held today which holds a finger to the Australian political pulse

New South Wales poll threatens Hawke's supremacy

LIKE PUNTERS at the year's most important race meeting today, Australia's political parties are nervously awaiting the outcome of a neck-and-neck electoral contest which may well determine their fortunes.

The battleground is New South Wales, the country's most populous and, economically, most important state. The Labor Party has held power there since 1976, and its achievements have paved the way for Labor victories in three other states and, since 1983, in the country's national elections.

If power changes hands in NSW, as seems possible, it will be a serious setback for Labor nationally and a psychological boost for the opposition Liberal and National parties.

The formidable machine of the NSW Labor right has dominated not only the state government based in Sydney, but also the federal government in Canberra. Defeat would shake its reputation for organisational genius and undermine the successful strategy of economic pragmatism which has won it the support of many businessmen.

Both Mr Bob Hawke, the Prime Minister, and Mr John Howard, the Liberal leader, have left most of the battle to the local leaders. Carefully rejecting responsibility for the outcome, they have instead fought a grubby proxy battle in Canberra.

Unfortunately for Mr Barrie Unsworth, the state Labor leader and premier of NSW, it has been impossible to seal the party off from events in Canberra, and in particular from Mr Hawke himself.

In recent months, three of Mr Hawke's cabinet ministers have resigned, a scandal has broken over a company donation to party coffers and rows have erupted over alleged misuse by Mr Hawke of his position.

The party has also lost a safe seat in a federal by-election and its rival factions heve squabbled noisily over privatisation, uranium exports and the appointment of a new secretary.

A former trade union official, Mr Unsworth is in stark contrast to his charismatic predecessor Mr Neville Wran, the architect of Labor's political success, who suddenly, and inexplicably, resigned in 1986.

John Howard: grubby proxy battle with Bob Hawke in Canberra

Thus, when Mr Unsworth – sometimes known as "Battling Barrie" – fought the safe Rockdale seat for a place in the Legislative Assembly (lower house), he won by only 54 votes and promptly turned it into a marginal.

In this latest campaign he enjoyed a dream start, hosting Australia's bicentennial celebrations. He then astonished supporters by declaring that Labor was the underdog and acknowledging that its morale was low.

If the polls were anything to go by, however, he was right. Even the latest yesterday, which showed the gap narrowing, had the opposition five points ahead of Labor with large numbers of voters either undecided or preferring independent candidates.

Mr Unsworth's approval rating has been consistently lower than that of his Liberal counterpart, Mr Nick Greiner, a diminutive and energetic 40-year-old former businessman.

Mr Greiner, seeking blood, decided to launch the Liberal party's campaign in the heart of Rockdale, and his party has easily capitalised on discontent over decisions to build a mono-rail in Sydney and a tunnel under Sydney harbour.

The campaign has concentrated more on the suburbs than the countryside. Although the salient issues are said to be education, hospitals and crime, the polls suggest most people say they do not know what the issues are.

In an election notable for the mud which has been slung, there are 109 seats at stake in the assembly (10 of them new) and one-third of the 45 seats in the Legislative Council

There are also three state by-elections today, one in Victoria and two in Western Australia, while next Saturday a federal by-election takes place in Adelaide.

These and the events of recent weeks are being seen as a bellwether of Mr Hawke's fortunes. Only eight months after his historic third national election victory in a row, that is a remarkable development.

GONZALEZ INTERESTED IN JOINT INFANTRY BRIGADE

Spain knocks on Paris-Bonn defence door

BY PETER BRUCE IN MADRID

MR FELIPE GONZALEZ, the Spanish Prime Minister, is thought likely to open the way for Spanish participation in the new Franco-West German joint defence council and a planned joint infantry brigade when he meets President François Mitterrand of France for private talks tomorrow.

Although the project has been criticised as potentially divisive by the British Prime Minister, Mrs Margaret Thatcher, Mr Gonzalez expressed considerable enthusiasm for it when he visited Bonn last year. Spain's Socialist Government sees a European defence initiative as one way of building up or maintaining defence links with its European partners without broadening its delicate military association with the US in Nato.

Informed speculation ahead of today's informal summit suggests Spain is also anxious not to be left standing by what it sees as a rapidly developing "axis" between Paris and Bonn in other questions of European social, economic and security policy.

Mr Gonzalez, President Mitterrand and Chancellor Helmut Kohl of West Germany met during the recent Nato summit in Brussels and that was followed by another of Mr Kohl's many mini-summits with the French President. Some observers see today's meeting as rounding off a period of consultations at the highest level about Spain entering the brigade.

Although Madrid has never been formally invited to join, the Government, which continues to affect an attitude of deep contemplation about the Franco-German project, has let it be known that it would be interested in joining both the joint defence council and the brigade, if it were ever established.

While sceptics doubt that the joint brigade will ever exist except on paper, Spanish interest in the project reflects a growing frustration with the lack of a clear and politically comfortable defence position of its own. The Government won little satisfaction from forcing the Americans to agree earlier this year to withdraw 72 F-16 fighters from their base near Madrid and has tried to interest Nato in letting it extend its naval responsibilities deep into the Atlantic. But the Government will not put its forces under Nato's integrated military command and the Atlantic proposal may fall foul of the British, who run the command at Gibraltar.

Similarly, the British are unhappy with Spain's desire to join the Western European Union, the seven-nation European defence grouping, until the WEU clearly defines its role. Spain, though, is pressing its case before a WEU meeting next month in The Hague.

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Economy 'shows fastest growth rate since 1973'

BY RALPH ATKINS

THE BRITISH economy grew at a faster rate in 1987 than in any year since 1973 and showed no sign of a slowdown after October's stock market crash, according to official figures published yesterday.

The Central Statistical Office estimates that the rate of growth last year was about 4½ per cent – the highest annual rate since the 7¼ per cent recorded in 1973.

The figures confirm that for the first time in 23 years the economy grew faster than the rate of retail price inflation. In his Budget speech on Tuesday, Mr Nigel Lawson, the Chancellor, predicted the economy would grow about 3 per cent in 1988.

In the fourth quarter of last year, the CSO's average measure of real gross domestic product was 0.7 per cent higher than in the previous three months and 4.3 per cent higher than in the last quarter of 1986.

The average measure is regarded as the best indicator of growth, but the figures show wide variations between alternative indices calculated by the CSO. These show annual growth rates varying between about 3 per cent and 5 per cent.

The figures show a drop in the pace of growth in the last two quarters of last year. A growth rate of 5.3 per cent is attained by using the average measure and comparing the third quarter of 1987 with the same period a year before.

However, this was thought to be an unusually high figure and the CSO said there was no evidence to suggest economic growth slowed in the fourth quarter from an underlying rate of between 4 and 4½ per cent a year. The effects of the share price slide in October have so far appeared to be negligible.

Consumers' expenditure grew about 5 per cent in real terms in 1987, compared with about 6 per cent in 1986. Within this total there was a sharp decline in pace of growth in the "other durable goods" category, including white and brown domestic goods.

Fixed investment in real terms rose to a record quarterly level in the last three months of 1987 – above the previous peak in the first quarter of 1985. Across the year, investment was 3.5 per cent higher than in 1986.

Former Rover computer company doubles profits

BY TERRY DODSWORTH

ISTEL, THE broadly-based computer systems and software company which was privatised by the Rover car group last year, more than doubled its profits last year on a turnover increase of 15 per cent.

Sales surged to £70.15m from £60.76m, making it one of the UK's leading information technology businesses, while profits rose to £5.02m from £2.17m in 1986.

ISTEL was sold to an employee-led management buy-out group last June in one of the transactions which heralded the Government's moves to dispose of the entire Rover group.

The company has retained its close links with Rover, which last year accounted for £40.25m, or 57 per cent of its turnover, but it is rapidly building up its activies outside the car group. These external sales rose by 36 per cent in 1987 to £29.89m from £22.05m.

Mr John Leighfield, chairman, said ISTEL's principal focus would continue to be on computer-aided manufacturing and communications network services.

Last year, the group had strengthened its position in the travel and leisure markets, and it was making progress towards a significant position for itself in financial services, health care and electronic data interchange, he added.

Investments for this year amounted to £11m, while the US subsidiary had been converted from a significant loss-maker into a profit-making concern.

ICI enters Japanese car paint market

By Peter Marsh

IMPERIAL Chemical Industries, Britain's biggest chemical company, has gained an entry into the important Japanese market for automotive coatings through a licensing agreement with Nippon Oil and Fats, the third biggest Japanese paint manufacturer.

Under the deal, announced yesterday, ICI's paints for the car industry will be sold in Japan by Nippon Oil and Fats, which is part of the Fuyo industrial group.

ICI, which became the world's biggest paint company after acquiring Glidden of the US in 1986, at present sells virtually none of its annual paint output worth £1.3bn in Japan.

It said the agreement would lead to a worthwhile increase in its paints business through the capture of a share of the £200m-a-year Japanese car paints market. ICI did not want to speculate on the size of this share.

As part of the licensing agreement, automotive paints made by Nippon Oil and Fats will become available for sale by ICI subsidiaries in other countries outside Japan.

In this way, ICI hopes to be able to form business links with Japanese car makers with overseas factories. This could lead to the UK company increasing sales of its own paint brands to these concerns.

ICI is particularly keen to expand in the worldwide car paints market, an industry worth £1bn a year, or roughly 5 per cent of the total paints business. It recently announced a joint venture with Du Pont, the US chemical company, to sell vehicle coatings in western Europe.

Mr Denys Henderson, ICI's chairman, has set his sights on expanding business in the Far East. He has said the company is relatively weak there.

ICI considered setting up a Japanese plant for making car paints, but this was ruled out by the high costs. The joint venture with Nippon Oil and Fats, which is the third biggest participant in the Japanese paints business, after Nippon Paint and Kansai, follows shortly after the establishment by ICI of a smaller joint venture in chemicals in South Korea.

Stand against VAT extension 'gains support'

BY PETER MONTAGNON, WORLD TRADE EDITOR

BRITAIN'S refusal to impose value added tax on food and children's clothing as part of the European Commission plan for a unified European Community internal market by 1992 was finding increasing support in other Community countries, Lord Young, Trade and Industry Secretary, said yesterday.

The main purpose of the single market was to introduce common product standards throughout the Community, not to impose fiscal harmonisation, he told a press conference to launch a government publicity campaign for the internal market.

"Many other countries are adamant that (fiscal harmonisation) is not necessary," he said. It would cost "an immense amount of political capital" to harmonise tax systems and the effort would be wasted if it distracted attention from the main aim of helping manufacturers exploit a market of 320m people.

Lord Young said he had had recent talks with business and industry in France and West Germany and that they too foresaw difficulties with the EC's plan to harmonise VAT regimes.

As far as Britain was concerned, he could be "clear and unequivocal" in stating that VAT would not be extended to food and children's clothing. EC rules meant this particular measure would require a unanimous decision by the 12 member states and Britain would therefore be able to veto such a proposal.

Privately, DTI officials said they believed pressure from member states could eventually lead the commission to back away from its current emphasis on the need for fiscal harmonisation.

The trade-distortion effect of differing tax regimes was not great and would probably be corrected naturally by market forces once the internal market was in place.

Lord Young added that the US provided an example of a successful unified market with common product standards and 50 differing tax regimes.

The launch of yesterday's campaign, drew sharp criticism from Mr Bryan Gould, shadow Secretary of State for Trade and Industry.

"Other European countries are preparing for the single market by beefing up their help for industry. Lord Young is offering cornflakes," he said.

Decribing the publicity campaign as hype, Mr Gould said: "The really significant development of this week is the Prime Minister's personal revaluation of the pound against the D-Mark. This can only make our trade performance even worse."

Feona McEwan and **Paul Betts** on plans to spread awareness of Europe's single market

Tuning businessmen into life after 1992

FROM today, the radio-listening British public is to get an earful of advice from the Government on how to go about its business. The measure has nothing to do with the fictional 1984 of George Orwell, but everything to do with the real watershed of 1992, the year in which the European Community's 12 markets will become one.

The campaign follows disturbing reports last year which showed that British businessmen were largely ignorant of the single market and its implications. To make good the gap, the Department of Trade and Industry yesterday unveiled a long-term awareness exercise aimed at waking up the public in general and industry in particular to the trading milestone that will affect every European citizen.

Provocative radio commercials will kick off the first stage of the British campaign that has been designed by the Department of Trade and Industry. The advertisements, devised by WCRS Mathews Marcantonio, the advertising agency, muse in humorous vein about life in single market conditions.

"What about national characteristics?" asks one commercial. "Will the Italians have to gesticulate less when they speak, or the British more. Will the Germans be asked to add classes in humour and irony to the school curriculum? Will French businessmen wear bowlers to the Bourse?"

In another advertisement, Mr Brian Johnston, the commentator, wonders what the market will mean for cricket. "The Spaniards have questioned such fundamentals as the width of the bat and the number of stumps, arguing that as they have a lot of catching up to do their bats should be a least 10 cms wider and there should be no stumps at all, at least for a few years. Then perhaps they could be introduced one at a time, over an agreed period."

Once the listener's attention is caught, the advertisements end on a serious note with a helpline, aptly numbered 01-200-1992.

The campaign arose after a DTI survey revealed last October that only one in 16 British businessmen knew about the single market. Soon after, a Confederation of British Industry report showed a figure of one in 20, compared with a hefty 80 per cent awareness among equivalent business figures in France.

This is largely because France, which leads the field in raising national awareness of the single market, launched a publicity programme as early as last summer.

The aims may be the same, but techniques and approach vary considerably between the French and British campaigns.

French television viewers were introduced to the government-sponsored commercials last summer with a "Euro" ad depicting a French yuppy sitting in his staid office.

Seconds later this young hero of the new French business generation had stripped into boxing shorts to face in a ring a formidable Japanese Sumo wrestler and an equally imposing American baseball player.

Outweighed, the French chinless wonder suddenly turns round and with the help of 11 other young men dressed in shorts in the colours of the European community, beats up the wrestler and the football player. The message is clear.

The British campaign uses a quite different strategy in its television commercials. Rather than threatening people with the single market, it encourages, and suggests opportunity.

The "fortress Europe" strategy of the French campaign, which portrays the Japanese and Americans as threats, is criticised by British advertising experts, who argue that it sits uneasily with the inward investment policies of European countries which are all too keen to attract Japanese and US investment.

The British advertisements will feature well-known businessmen with international reputations such as dress designer Bruce Oldfield, Amstrad chairman Alan Sugar, Jaguar boss Sir John Egan and architect Richard Rogers. The implication is that a successful business can be even more successful given access to Europe. Opportunity, not threat, is the catchword.

However, commercials are only one weapon in the awareness war. Information booklets have been sent to 130,000 businesses with more than 10 employees, a 1992 hotline set up and a fact sheet prepared.

As Lord Young, Trade and Industry Secretary, indicated at the launch, there will also be a spot of power-breakfasting in the regions between DTI officials and industrialists, plus a myriad symposiums and conferences.

The aim of the campaign, which is costing £5m for the first phase, is to raise awareness among businessmen from its current level of 23 per cent to 90 per cent by the end of the year, a timescale regarded as highly ambitious in advertising circles.

The British Government says it will continue the campaign in different phases, up to the end of 1992. "It will cost whatever it takes," says Lord Young, who dismisses criticism that Britain has been slow to take up the cause.

For their part, the French have been increasingly haunted by the prospect of a unified European market. Not only has the Conservative government made 1992 its rallying cry, but it has also been echoed by Mr Francois Mitterrand, the country's Socialist president. They all present 1992 as a life or death issue for France.

"Although our ministry does not have a budget as such, we managed to get about FFr 6m-7m to finance a series of initiatives to promote the concept of 1992 to the general public," said an aide of Mr Bernard Bosson, the French junior minister for Europe, who spearheaded the campaign with Mr Alain Madelin, the Industry Minister.

"We organised a ceremony at the Arc de Triomphe to celebrate the 30th anniversary of the Treaty of Rome and ran TV commercials for three months last summer."

This year, the government has not repeated the commercials, but the Industry Ministry launches this month a novel service on France's increasingly-popular minitel telephone-based videotex network.

The service is called Euro92 and offers subscribers comprehensive information on Community rules and programmes. The cost of the service is based on a telephone charge of FFr2.19 a minute.

At the same time, Mr Madelin has hosted several breakfasts at his ministry to discuss 1992 with businessmen from large and small French companies, organised a conference attended by 5,000 industrialists in Paris last October and a host of regional meetings.

In the last few weeks, full-page advertisements have promoted the service and in the run-up to the presidential election campaign the French Government has indulged in "Euromania."

Building society lending reaches record £4.35bn

BY DAVID BARCHARD AND ERIC SHORT

MORTGAGE lending by building societies reached a record last month, according to figures issued yesterday by the Building Societies Association.

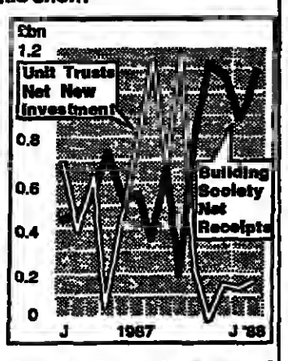
These reveal the societies to have made a strong recovery in their lending, with £4.35bn in net new commitments in February, compared with £2.88bn in January and £2.5bn in February 1987.

Mr Mark Boleat, director-general of the BSA, said yesterday that he expected further strong growth in lending after the budget and the incentive it created for unmarried purchasers to complete their mortgages before August 1, when the mortgage interest relief would be applied to the property rather than the borrower.

Building societies are continuing to attract savings at much higher levels than a year ago, with much of the increase being made at the expense of net inflows into unit trusts.

The BSA figures showed a net inflow of savings of £1.1bn in February, compared with £472m for the same month last year. This is slightly below the monthly peak of £1.13bn recorded last November in the wake of the stock market crash.

In contrast, the net investment in unit trusts during February amounted to just £162m – slightly more than January's net investment of £136m, but less than half the net investment of £399m the previous February.



Gross investment in unit trusts continues at a high level in the aftermath of the October crash – amounting to £742m in February.

But this is being offset by very high levels of units being cashed-in, which totalled £580m during the month.

Unit trust managers feel that much of this cashing-in of units arises from existing investors switching their holdings.

Managers are putting the events of last October behind them as far as marketing is concerned. Ten trusts were launched in February, many of them defensive or special opportunity funds, giving investors plenty of choice

Scottish groups plan rival Sunday newspapers

By Raymond Snoddy

SCOTLAND'S two most famous newspapers, the Glasgow Herald and The Scotsman, are working on plans to launch Sunday newspapers for Scotland.

The introduction of modern technology and reduced manning levels have encouraged both groups to look again at the quality Sunday market in Scotland more than four years after the crash of the Sunday Standard with losses of more than £5m.

The Scotsman, the Edinburgh-based daily which is part of Thomson Regional Newspapers, has been working on its plans for a new Sunday newspaper for nearly a year and seems to be the further advanced.

The company has set a target launch date of April or May, but a September launch may prove more practicable.

Mr Alastair Stuart, editor-in-chief of Thomson Regional Newspapers, will edit the quality newspaper, which has not yet been given a name.

Mr Brian Groom, the 32-year-old home news editor of the Financial Times, has been appointed deputy editor.

The newspaper, which will be produced from The Scotsman's Edinburgh headquarters, has set itself a break-even circulation of 65,000.

The Glasgow Herald, part of George Outram, a subsidiary of the Lonrho group, which also owns The Observer, has set up a high-level working party to investigate the possibility of launching a Sunday paper.

Although there is the appearance of a race between the two groups, in fact George Outram is likely to approach the market with extreme caution. Its financial failure with the Sunday Standard, which none the less had a circulation of 125,000, is still casting a shadow.

The Glasgow Herald expects to be running its new £22m colour presses by early May. At that time, the paper is planning an expansion of its existing editorial services.

Given the Herald's existing agenda, it seems unlikely that the company could contemplate launching a Sunday newspaper before the late autumn.

One of the options being considered at the Glasgow Herald envisages turning the paper into a seven-days-a-week operation rather than producing a stand-alone Sunday newspaper of the type planned by The Scotsman.

The experience of the Sunday Standard suggests that there is a market for a quality Sunday in Scotland.

The paper was highly appreciated by its readers and achieved a penetration level in Scotland similar to that of the Sunday Times in England.

Apart from inheriting a high cost structure, the paper was launched in April 1981 into a declining advertising market.

Student grants' income definition

INCORRECT information from the Department of Education and Science resulted in a false definition being given to the term residual income, used in calculating parental contributions to student grants, in Thursday's Financial Times report on changes to the grant system.

Residual income is income before tax – not, as we reported, after tax – less tax allowances and interest payments which attract tax relief.

Glyn Genin

British Airways' first Airbus Industrie A320 en route from Toulouse to Gatwick. BA expects to bring into service two more of the aircraft this year, followed by four more in 1989 and another in 1990.

Gatwick's £210m north terminal opened

BY LYNTON McLAIN

THE QUEEN yesterday opened the £210m north terminal at Gatwick Airport.

The airport opens officially to passengers on Tuesday, in the week that the first Gatwick terminal will pass the 20m passengers a year mark for the first time.

The new terminal, which raises the airport's capacity to 25m passengers a year, is designed to help overcome increasingly crowded conditions at Gatwick.

The first terminal was designed to handle only 16m passengers a year and in the past 12 months has had to cope with 25 per cent more than this, because the north terminal was not completed last year.

The delay was due to financial constraints put on the former British Airports Authority (now BAA) by the Government ahead of privatisation.

Mr Jeremy Marshall, the chief executive of BAA, yesterday said the company would stick by its commitment not to build a second runway at Gatwick until at least 2019.

"There is undeniably a need for another runway to serve south-east air passengers but we have the runway sitting waiting at Stansted Airport in Essex," Mr Marshall said.

Sir Terence Conran, the head of the Conran Design group, which designed the interior of the terminal, said yesterday that it was meant to produce feelings of "calmness, freshness and clarity". The building itself was designed by YRM Architects and Planners.

Gatwick has already overtaken J F Kennedy Airport, New York City, to become the second busiest international airport in the world, after Heathrow.

Merger probes to be speeded up

By Tom Lynch

THE MONOPOLIES and Mergers Commission may start taking a tougher line with companies that delay submitting documents it requires for its investigations, Mr Francis Maude, the junior trade and industry minister, told the Commons yesterday.

"It is unreasonable that monopolists who might be exploiting customers are able to put off the day of reckoning," he told MPs during a debate on competition policy.

Mr Maude said the commission was trying to reduce the time taken for its investigations and was setting tighter timetables for the receipt of documents.

"It may have to consider using its statutory powers to hold parties to the timetable," he said.

For the Opposition, Mr Tony Blair criticised the Government's merger policy for its emphasis on speeding up the process of scrutiny rather than ensuring that employees and consumers were considered alongside shareholders.

He said the post-merger performance of companies rarely lived up to the promises made during takeover battles.

In particular, he argued that the broader public interest was overlooked in leveraged bids, when the main interest of the enlarged company was in selling assets to pay back loans.

Mr Maude insisted that the market in shares had to be left to function freely – subject to monopolies law if there was found to be a threat to competition. Freedom ensured the best use of commercial assets and the threat of takeover was a spur towards that end.

He said that in the case of leveraged bids, as with other types, shareholders should be left to take a sensible view of what the performance of the new company was likely to be.

Mr Malcolm Bruce, for the Social and Liberal Democrats, said the Government was too ready to assume that a merger was a good idea because the shareholders said so.

Ansbacher 'violated Takeover Code'

By David Lascelles

AN INTERNAL report at Henry Ansbacher, the merchant banking group, has concluded that its corporate finance department violated the Takeover Code on several occasions in 1986.

The report investigated Ansbacher's involvement in several takeover bids, including the Next bid for Grattan, when Ansbacher advised Grattan.

It concluded that Lord Spens, then head of Ansbacher's corporate finance department, devised an operation to boost Next's share price and force it to offer a higher cash alternative for Grattan. That was done with the help of TWH, a Netherlands Antilles investment company, which was later reimbursed by Grattan after it became a Next subsidiary.

The report said there had been no breaches of the Companies Act, but concluded that a false market had been created in Next shares, which was contrary to the code.

Lord Spens later resigned from Ansbacher because of his involvement in the Guinness affair. Last week, he was charged with four offences under the Companies Act in connection with Guinness. The investigation was ordered by Mr Richard Fenhalls, Ansbacher's chief executive.

Ridley rejects Heseltine attack on development of Green Belt

BY TOM LYNCH

MR NICHOLAS RIDLEY, the Environment Secretary, yesterday delivered a stinging reply to a claim by Mr Michael Heseltine, the former cabinet minister, earlier this week that Green Belt land in the south of England was being "torn up and torn apart" by development.

In a letter to Mr Heseltine, Mr Ridley recalled decisions made during his former colleague's time as Environment Secretary that allowed building projects in the Green Belt and his 1980 promise to "sweep away obstacles to commercial enterprise" in the south-east.

Mr Ridley said he had been "at least as robust" as any of his predecessors in defending the Green Belt, but developers existed because there were customers for the homes they were attempting to build. "Housing is not a form of environmental pollution."

He said 55 per cent of new housing in the south-east in the past two years had been on derelict or urban land, the Green Belt area had expanded from 760,000 to 1.2m acres since 1979 and the rate at which agricultural land was being developed had fallen sharply.

In addition, housebuilding had not encroached on London's Green Belt, areas of outstanding natural beauty or other areas protected by statute.

However, Mr Ridley said it was "simply not practicable" to accommodate all development needs by building in the inner cities or pushing people and businesses into the regions. If he banned all building on previously undeveloped land, he would be blamed for homelessness and high house prices.

He told Mr Heseltine: "As you clearly recognised in 1980, we cannot treat the south-east as a 'no-go area.' It is the function of a land-use planning system to meet the needs of economic development, while protecting the environment and the countryside."

Call to protect 'genuine timber growers'

BY TOM LYNCH

THE HIGHER planting grants for forestry announced in this week's Budget as a counterweight to the dismantling of the forestry tax shelter for high earners must protect "genuine timber growers," Mr Alick Buchanan-Smith, a former Conservative agriculture minister, said last night.

Mr Buchanan-Smith, MP for Kincardine and Deeside, told a meeting in the constituency that he welcomed the removal of the tax shelter, but was concerned about the future for "farmers, landowners and all those whose proper commercial business is growing timber."

Mr Buchanan-Smith said the grants – the details of which are to be announced next week – must also ensure that the Government's aim of planting 33,000 hectares a year was not jeopardised.

He warned that forestry in such areas as Scotland could suffer if the balance of the new grants between conifers and hardwoods did not recognise that hardwoods could not be grown on some poor, upland ground.

Baker launches disruptive pupil inquiry

BY PETER RIDDELL, POLITICAL EDITOR

AN INQUIRY into how to deal with disruptive behaviour in schools was launched yesterday by Mr Kenneth Baker, the Education Secretary.

The inquiry team will be headed by Lord Elton, a former Home Office and Environment Minister, who was for 10 years a teacher.

Mr Baker told the Conservative Central Council, a meeting of party activists in Buxton, Derbyshire, that the committee had been set up in response to the expression of concern by both parents and recently the teachers' unions about the problems of indiscipline, disruptive behaviour and even violence which some children are causing in the classrooms of some schools.

The committee will consider what action can be taken to secure an orderly atmosphere necessary for effective teaching and learning to take place in schools, Mr Baker added.

The committee will start work as soon as possible and aims to complete its report by the end of the year. Mr Baker said later that he did not expect there would be a return to corporal punishment, which has been banned in British schools since last August. However, he noted recent discussion about how to expel and deal with violent pupils.

Racing results phone service to end

BY DAVID THOMAS

RACELINE, the racing results service which bookmaker William Hill makes available over the telephone for the price of a normal call, is to end following a ruling by the Office of Telecommunications, the industry's regulatory body.

In future, customers will have to pay premium charges, which can be up to eight times the cost of a normal call, for all racing results over the telephone.

William Hill complained last year to Oftel when British Telecom decided that nearly all information services offered over the telephone had to be charged at a premium rate, because BT believed it would otherwise be accused of unfairly cross-subsidising these services.

William Hill did not wish to increase the charges because it regarded Raceline as a service to the public, although it subsequently launched its own premium service, Rapid Raceline.

However, Oftel has now ruled that BT was discriminating against other information providers by charging Raceline at less than a premium rate.

BT, which said it had not intended to discriminate, has accepted the ruling, so Raceline will close by the end of March.

British Gas to increase charges by 6%

BY STEVEN BUTLER

BRITISH GAS is to raise its prices for gas by an average of 6 per cent from the beginning of next month in order to reflect the higher prices the company is paying for its supplies.

The increase comes in the wake of last year's rise in the price of oil, which is linked to price formulas in many of the supply contracts that British Gas has with North Sea producers.

British Gas's licence to operate as a gas supplier allows it to adjust prices to reflect the cost of supplies plus the rate of inflation minus 2 per cent.

Last year's announcement of a 4½ per cent cut in the price of gas provoked a row with the Office of Gas Supply, which refused to endorse the price change until British Gas provided detailed information on how it was calculated.

Ofgas is sorting through data supplied by British Gas yesterday.

British Gas said the net effect of the price changes since privatisation in December 1986 would be a 1 per cent increase, compared with a 6 per cent rise in the retail price index.

Racal-PLO 'link' denied

BY PETER MONTAGNON, WORLD TRADE EDITOR

ALLEGATIONS THAT Racal-Tacticom, a unit of the Racal electronics concern, was licensed to sell military communications equipment to the Palestine Liberation Organisation in 1981-82 were unfounded, Mr Kenneth Clarke, Trade and Industry Minister, said yesterday.

In a written answer to a parliamentary question from Mr Michael Latham, Conservative MP for Rutland and Melton, the minister said there was no trace in government records of an export licence being granted for shipment to the PLO.

However, the minister said the investigation had revealed one case in 1982 where a licence had erroneously been granted for export to a company based in the Lebanon which had links with the PLO.

It was possible that this consignment eventually reached the PLO, but "it was of very small value and the equipment was non-lethal." He added: "No evidence has been found to justify any suggestion of unlawful actions by Racal-Tacticom."

Hoover to produce dishwashers in Wales

By Anthony Moreton, Welsh Correspondent

HOOVER is to start manufacturing dishwashers on a new £2.5m production line at its South Wales factory later this year, the company said in Cardiff yesterday.

The move will mean at least 100 more jobs at the Merthyr Tydfil plant, which employs 1,900 people. A further 100 jobs could be created if an export trade to continental Europe can be developed.

The US-owned company, best known for its vacuum cleaners and home laundry, announced last autumn that it was seeking a deal to manufacture dishwashers under licence.

Mr Frank Vaughn, chairman of the British subsidiary, said yesterday that the company had now decided to build machines to its own design.

He said Hoover had decided to start manufacturing to take advantage of rapid growth in demand. About 420,000 machines, worth £95m, were sold in Britain last year, 27 per cent more than in 1986.

The decision follows similar moves by Candy of Italy and Britain's Hotpoint, which started assembling dishwashers in the UK last year. No machines had been made in Britain since the early 1980s because the market was considered too small.

Until last year all dishwashers sold in the UK had been imported, mainly from West Germany, Italy and Spain, the source of Hoover's existing range.

Mr Tony Williamson, UK managing director, said: "Dishwashers are playing a more important role in everyday life.

"Demand in the UK has lagged well behind the US and some European countries, such as France and West Germany. About 8 per cent of British households now have them, though the figure is rising fast," he said.

Hoover will be producing three models – two free-standing ones and a built-in machine for the kitchen-conversion trade.

The company was established at Merthyr Tydfil in 1948. UK vacuum cleaner production is concentrated at Cambuslang outside Glasgow and a range of small appliances is made in France.

InterCity Saver fares to rise 6%

By Kevin Brown, Transport Correspondent

BRITISH RAIL yesterday announced an average increase of 6 per cent in the price of reduced-rate InterCity Saver tickets, which were exempted from the last round of fare increases in January.

The increase, which is 50 per cent above the Chancellor's Budget forecast for inflation, is intended to help InterCity comply with a government directive to move into profit as soon as possible.

The increase will take effect in May. Saver fares were last raised in January last year, but many have not been changed since September 1986.

InterCity reduced its operating loss by £17m to £99.4m last year, but Mr John Prideaux, sector director, is forecasting a loss of more than £100m in 1987/88.

This will be covered by government subsidies through the Passenger Service Obligation grant, which covers BR's losses on passenger services.

However, InterCity services cease to be eligible for grants from March 31 as part of the Government's policy of reducing public transport operating subsidies.

InterCity has been instructed by the British Railways Board to make an operating profit of £17m before interest in 1989/90, but is expected to miss this target by £22m.

The Central Transport Consultative Committee, the statutory BR consumers' organisation, said passengers were being presented with the bill for the Government's decision to end InterCity grants.

Mr Mike Patterson, CTCC Secretary, said BR should ask the Government to finance improved services, rather than "pricing passengers off the system."

Members may sue Lloyd's

BY NICK BUNKER

MEMBERS of a disastrously loss-making insurance syndicate at Lloyd's of London have called a meeting to discuss moves which might include suing the Lloyd's market's authorities for failing to warn them of the syndicate's problems.

The syndicate, non-marine number 553, has become notorious at Lloyd's for the losses it has suffered from insurance business undertaken in the mid-1980s, when it had up to 1,450 members.

Mr Cyril Warrilow, its underwriter, resigned last year. The group has reported a net loss of £15.2m for 1984, the latest period for which figures are available.

Mr Tom Benyon, chairman of a steering committee of 553's members, said yesterday that he now believed that its gross losses could total 200 per cent of its premiums, which in 1984 were £28m, and might become even worse.

He has organised a meeting of 553's members at Lloyd's on May 17, to consider the position, especially the fact that 553 apparently wrote far too much business.

UK NEWS — EMPLOYMENT

P&O ready to move on Dover seamen's strike

BY JIMMY BURNS, LABOUR STAFF

P&O European Ferries yesterday signalled it might modify its controversial package of redundancies and changes to working practices in an attempt to end a long-running strike by Dover-based seamen before the start of the Easter holiday period.

Mr Peter Ford, the company's chairman said he was prepared to resume negotiations on the basis of proposals made this week by Acas, the conciliation service, and other points raised by the National Union of Seamen.

Mr Ford said: "We believe that with the Acas proposals and the points made by the union there is e basis on which we can achieve the cost-savings we are looking for...we feel that the gap is not that wide."

It is understood the company may accept that revised rosters on its services from Dover to Boulogne and Zeebrugge involve three crews per vessel and not 2.5 as it was earlier demanding. This would effectively reduce to about 260 the number of redundancies compared with the more than 400 first envisaged as part of the package and represent a significant concession.

P&O believes that major cost-savings on its routes can be brought about by the replacement of the seamen's basic salary structure and up to 24 additional items of bonus pay by a single consolidated salary based on overtime and profit-sharing.

NUS officials say that three crews as opposed to the present 3.6 is the "bottom line" which they can accept. They have said that the introduction of consolidated salaries and a revision of extra payments is negotiable.

Both sides indicated yesterday that P&O's initiative is unlikely to lead to a resumption of negotiations before Monday when the NUS leadership meets to decide on e call from senior shop stewards for a national seamen's strike ballot over the P&O dispute.

Employers have warned that they will not hesitate to take legal action against the union if the national strike goes ahead on the understanding that such a move would be shown to be illegal under the provisions of the Government's employment law.

Some British and French ports were facing continuing disruption this weekend because of a combination of the P&O dispute and an indefinite strike called on Thursday by French maritime unions over pay and conditions.

Bus race case decision

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE West Midlands Passenger Transport Executive has been ordered by the Court of Appeal to disclose documents to support its claim that it operates an equal opportunities policy when filling senior posts.

An allegation of racial discrimination has been made against the executive by Mr Jaqwant Singh, who in 1985 applied unsuccessfully for promotion to senior inspector.

The executive which began ethnic monitoring of promotion applications in October 1984, denies the allegation.

It has given Mr Singh information about the ethnic origins of the 55 applicants for the post for which he applied, but has refused to give similar details about those applying for and appointed to comparable senior posts since it adopted its equality policy.

Dismissing the appeal, Lord Justice Balcombe said the information Mr Singh sought must be disclosed because it might help him to establish that treatment of coloured employees was on racial grounds which was an effective cause for their, and his, failure to obtain promotion.

An industrial tribunal ordered the executive to disclose the number of whites and non-whites who applied for, and were appointed to, the post of traffic supervisor between October, 1984, and December 17, 1985. That order, upheld by the Employment Appeal Tribunal, was challenged in the appeal court by the executive, which argued that the information was not needed for Mr Singh's case.

Unions in row over Ford wage deal plan

By Philip Bassett, Labour Editor

LEADERS of Ford's two largest unions in Britain clashed yesterday over the wage rates which would have been paid at Ford of America's cancelled electronics plant at Dundee in Scotland.

Mr Bill Morris, deputy general secretary of the TGWU transport union, said yesterday that the likely pay levels for the Dundee plant would have been significantly lower than those provided for Ford UK's workers under its Blue Book employment agreement.

Leaders of the TGWU and other unions say that the envisaged level of wage rates at Dundee would have been used to depress wages at Ford UK plants.

Mr Jimmy Airlie, AEU executive member, dismissed such claims, insisting that pay levels would have been in the upper quarter – the top 25 per cent – for the electronics industry.

Mr Norman Willis, TUC general secretary, is insisting that concerns about lower standards – primarily, lower pay rates – were at the heart of the opposition of most of the UK car industry unions to the single-union deal signed for Dundee by the AEU engineering union.

TUC leaders say Ford of America told them that if it had to apply Ford UK's national rates to Dundee, rather than its preferred option of pay at the higher end for the electronics industry in the east of Scotland, costs would hava been 50 per cent higher.

The undisclosed provisional agreement for the plant says that its employees would, "through time and training and on the basis of merit and ability receive wages and benefits thet are competitive within the electronics industry and the geographical area in which the plant is located."

Conditions for mothers 'behind EC'

By Jimmy Burns, Labour Staff

BRITAIN continues to lag behind its partners in the European community in developing policies which allow women to fulfil their career potential while bringing up a family, an international conference organised by the Industrial Society in London heard yesterday.

Ms Bronwen Cohen, head of the Policy Unit, at the Equal Opportunities Commission, said that parental leave beyond the statutory 26 weeks is the exception rather than the rule in Britain, but is common practice throughout the EC.

She suggested that this went a long way towards explaining the fact that employment rates for mothers of children under five in Britain are among the lowest in the Community.

Ms Cohen predicted that the Government will come under increasing pressure from within the EC to widen the scope of its equal opportunities legislation.

A proposed EC directive on parental leave provides for a minimum of three months leave per worker per child, the sharing of childcare between fathers and mothers, a part-time option, and a special leave allowance.

Yesterday's conference heard from several European employers who have pioneered parental leave and equal opportunities practice ahead of legislation.

One example was the "parent and child" scheme developed since 1986 by BASF AG, one of West Germany's leading chemicals companies.

Employees are entitled to parental leave of up to seven years, including the year provided by West German law.

An an alternative to stopping work they are offered part-time work of at least 20 hours per week.

Either option entitles the employee to continue enjoying company benefits.

Mr Lothar Jacob, a BASF spokesman, argued that one of the main advantages of the scheme for the company was that it was assured in the long term of a reservoir of experienced BASF employees.

"At a time when bottlenecks can occur on the labour market as a result of a drop in the population, it is reassuring to know that we can call on a pool of qualified workers," Mr Jacob said.

Mr Arthis Schimmel, of tha Netherlands Postal and Telecommunications Service, described his company's positive action plan under which women are given preference over men in recruitment and promotion in areas where they are underrepresented.

Ms Joanna Foster, chairman designate of the Equal Opportunities Commission EOC urged employers to understand that there ware sound business reasons as well as human ones for implementing parental leave.

Charles Leadbeater examines inward investment

Looking before they leap

TECHDYNE, a US electronics company unveiled plans for a plant employing 120 at Livingston, West Lothian, just a couple of weeks after Ford of America announced on October 9 that it was to build a £40m electronics components plant at Dundee.

The Techdyne plant, a relatively small investment, was the bread and butter of inward investment. Will Ford's decision to pull out of the Dundee project lead potential foreign investors to think twice about locating in Britain?

Mr Malcolm Rifkind, Secretary of State for Scotland, said Ford's decision, the result of an inter-union row over union recognition, would have worrying repercussions for inward investment.

Trade and Industry Secretary Lord Young yesterday condemned the unions involved in the row and accused them of living in the past.

Lord Young: unions living in the past

Mr Iain Robertson, chief executive of the Scottish Development Agency concurred: "In marketing terms such a prominent, important company deciding to pull out will be unfavourable for inward investment. In the wake of this companies will think much more carefully about their industrial relations, and make sure they have got it absolutely right before going ahead."

Industrial relations hava not been a problem for inward investment agencies in the last few years: they promote the flexibility of the British workforce and the decline in the strike rate. Mr Mark Price, inward investment executive at the Welsh Development Agency said: "The bad old days have gone, I hope this does not mean foreign companies believe they have returned."

Mr Squire Sanders, an executive at the West Midlands Industrial Development Agency believes te Ford decision will create an added obstacle: "The recent spate of disputes in the vehicle industry has prompted more questions in the last few months about the state of industrial relations in the UK. Japanese companies in particular study these things very closely. Clearly Ford's decision is likely to be raised by potential investors. It will be one more obstacle, but not a major obstacle."

So Ford's decision may create a marketing problem, for inward investment agencies, but most inward investment managers believe it will have little impact on the real forces driving foreign investment.

Officials at the Invest in Britain Bureau said the Ford decision would have little or no impact on the flow of foreign investment which rose from £41bn a year in 1977 to £49bn.

A survey of foreign companies last year showed that the desire for a base in Britain, access to the European market and low inflation were more important in attracting foreign companies than labour costs, industrial relations, or skills.

The bureau believes the decision will do little damage to Britain's image abroad. In addition companies make investment decisions not just on national trends, but after very detailed analyses of the particular regions that they might invest in, talking to local companies, unions and councils. It is these factors which influence their views of what the industrial relations reality is likely to be.

Investment agencies are confident they have enough sucess stories of both unionised and non-unionised plants to outwiegh the adverse publicity of the Ford case.

In addition inward investment decisions are usually made in at least two stages, according to Mr Price at the Welsh Development Agency. He explained: "Most first time investments are quite small. Companies come in with tried and tested products and processes to test the water. If they are happy then larger investments follow. Most companies will still want to find out for themselves rather than rely on Ford's judgements."

Even if companies look at the Ford decision they would recognise its special characteristics, according to Mr Roberston at the Scottish agency, who was closely involved in two years of negtotiations with Ford. "Most companies coming to Scotland are first time investors, with no inherited union arrangements to get tangled up in. So this case does not have much bearing upon them."

The Ford plant was the first electronics plant the Scottish agency dealt with for several years where the investor had decided to have a union agreement at all, said Mr Robertson. According to a Department of Trade and Industry survey last year, 56 per cent of foreign companies were avoiding the problems which beset Ford by plumping for non-unionised sites. Rather than cutting the flow of companies to Britain the Dundee debacle may simply increase the number of companies which choose non-unionised sites.

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BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

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An unfinished agenda

PERHAPS the most revealing,and probably the most disturbing, remark of the last week came from the Chancellor, Mr Nigel Lawson, at a post-Budget briefing, when he remarked that he had completed his programme *to reform Britain's tax system.* It is revealing because it suggests that to Mr Lawson at least the tax system left behind on Tuesday evening was the last word on the subject and it is disturbing for the same reason.

The central idea of the Thatcher Government is captured in the term "enterprise society." The slogan of the "enterprise society" has, however, not yet become the unquestioned basis for political life. To achieve that goal, the Government's programme must offer equal opportunity and a reasonable *degree of economic security* to all.

Much has been achieved, for example in the abolition of exchange controls, in trade union reform, in the reduction of inflation, in improved performance of *nationalised industries* and in privatisation. Yet not merely political expedience hnt deeper errors have vitiated the outcome in too many areas.

In general economic management, the Government can claim substantial success. Growth in the UK is now at the top of the European league, not ths bottom. *Productivity growth in manufacturing* is running at an underlying rate of some 4 per cent a year. The public finances are in exceptionally good shape. As the Chancellor remarked In his Budget speech, the economy is now entering its sixth year of growth with modest inflation.

Clearest symbol

Taxation is perhaps the clearest symbol of the successes and limitations of the Thatcher years, limitations not merely of achievement but of moral vision. The reduction in marginal tax rates, above all on the well-off, follow an International move in this direction. It is a move that is to be welcomed, but only within its proper context.

There are those who have a *belief in the powers of lower* marginal tax rates that seems to be as deep and as little substantiated as a child's In Father Christmas. That there are positive incentive effects is quite plausible. But if all one has to do is cut marginal rates of tax, how does one explain the relatively poor UK performance in the late nineteenth century, when income tax was sixpence in the pound, or, turning to our own day, how does one explain the not noticeably poor performancs of Japan, whose highest marginal rate of income tax is 78 per cent?

The tax *reforms* of the Thetcher era should, therefore, not only be judged against whether top tax rates have been lowered on the highest incomes from the ludicrous rates of 83 per cent (and 98 per cent on unearned income) in 1979 to 40 per cent today. One must also ask whether tax reform has been undertaken against a compelling analytical standard. Unfortunately, it has not and many problems remain.

For example, there has been the failure to admit the logic of a shift to an expenditure-based, *rather than an income based system.* Moreover, the taxation of income is incomplete, with tax on the increased price of assets, for example, being on disposals not accruals and tax on the imputed rent of owner-occupied housing being omitted altogether. Meanwhile pensions are treated as if part of an expenditure tax *system, a privileged status* that cannot be justified. There are also major inconsistencies in the treatment of inflation, which is allowed in the computation of capital gains, but not in the computation of profits or returns on *financial assets.*

Peculiar compromise

The concern to avoid losers, especially in the middle income *groups, has resulted in the most* peculiar compromise in the reform of taxation of husband and wife, namely the proposed married couple's allowance that goes to the husband.

There has been a failure to follow through on the logic of incentives in three important respects: in the priority given to cuts in the basic rate of tax, where the disincentive of the 27p rate was very modest; In the failure to offset the income effect of the cuts in top rate tax by the withdrawal of allowances (such as mortgage interest relief), which would have raised the average rate of tax; and, most important, in the preservation of the major disincentive et ths lowsr end of ths income scale created by taxation of employment through national insurance contributions.

Indeed, national insurance is by far the most scandalous item left in the system. After all, this *tax on employment in an economy* suffering from high unemployment of the unskilled is expected to raise £31.6bn in 1988-89 as against £42.1bn from the entire income tax.

In short, the Government has far to go, not only in its programme as a whole but even in taxation. If the Chancellor can think of nothing more to do, it must mean either that reform is blocked for "political" reasons or that he has run out of steam after five gruelling years. This is not good enough. The Government has done all it can for its own *natural supporters. For the rest* of the parliament it should be the turn of everyone else.

Michael Prowse looks at the social and economic implications of Britain's landmark Budget

Lawson's cultural revolution

"What ideologists believe is never in such peril as when enthusiastic advocates put their doctrines to a practical test"
– J. K. Galbraith

NIGEL LAWSON's fifth budget is *a social landmark. For decades,* Britain has regarded itself – and been regarded by others – as a high-tax country. Film stars, best-selling authors, top industrialists and scientific boffins have long fled the country in search of milder fiscal climes.

The 40 per cent top rate of tax announced on Tuesday may not quickly stem the claimed "talent drain" because British incomes remain low by international standards. But it presents a new and totally unfamiliar British face to the world. The UK top rate is now only a shade above that in *the US* (if state taxes are taken into account) and lower than in any other leading industrial country.

Top tax rates have been falling all round the world, but only modestly in most countries. No other nation has matched Britain's turnaround. The continental Europeans and the Japa*nese are cautiously shaving top* rates. The Netherlands this week proposed to cut its top rate from 72 per cent to 60 per cent. Sir Geoffrey Howe, the previous Chancellor, and Mr Lawson have between them leap-frogged the opposition. The reduction from 98 per cent in 1979 to 40 per cent today has no parallel. The countries *such as Canada* that have almost as low tax rates today, already had relatively low rates (by UK standards) in the late 1970s.

The reduction in top personal rates in Britain has been accompanied by a large cut *in the* corporate tax rate (from 52 per cent to 35 per cent) and by the near-neutering of inheritance taxes. The Thatcherites want families to get rich and stay rich. The only place worth fleeing to now is a real tax haven such as the Cayman Islands or Monte Carlo.

The rewriting of the income *tax code is only part of a much* wider social transformation. A few years back the replacement of local rates by the poll tax would have been, to most people, unthinkable. Many would have regarded the suggestion that the country landowner should pay exactly the same towards the cost of local services as his poorest labourer as immoral.

The spurning of Whitehall and academia by the brightest Oxbridge graduates is yet another sign of fast changing times. When Japanese investment banks rival the Foreign *Office in the hiring of top* graduates, e cultural revolution is undeniably underway.

Mrs Thatcher and her ministers are successfully remoulding British attitudes. Evangelical speeches about enterprise and the magic of the market, which many would have taken about as seriously as water divining in the 1960s, are today received in solemn silence. Nobody jokes about the big E (for enterprise) that adorns the wall of Lord Young's Trade and Industry Department. We are all being reprogrammed as enthusiastic free-marketeers.

Does this matter? Is money-making, commercial success and a possible influx of European tax exiles such a bad fate for an ex-imperial power that everybody thought was dead on its feet? Per*haps the sceptical, anti-material*ist egalitarianism so long embraced by British intellectuals has had its day.

Perhaps. But for the unconverted, and those teetering on the brink of commitment to the new creed, it may be worth raising some questions. They relate both to the values that underly the *philosophy* and to its long-term chance of economic success.

There is no long-run correlation between tax rates and economic growth. Japan has easily outperformed other industrial economies in recent decades and yet it has a highly progressive income tax. The top rate in 1979 was 93 per cent, little short of Britain's, and the reduction since then, to 78 per cent, has been modest.

Italy, France and West Germany have also all grown much faster than the relatively low-taxed US, which has performed quite poorly. Yet they have all placed considerable importance on the redistribution of income through the tax system. In the developing world, countries like South Korea, with a compara*tively even distribution of income* and wealth, have grown much faster than highly inegalitarian economies in Latin America and elsewhere.

This is not presented in any sense as conclusive evidence. Clearly, a whole range of factors influence economic performance. The point is merely that low top rates of tax are not a *necessary* condition for buoyant growth Nor, almost certainly, are they a sufficient condition. Mr Lawson's Budget may enable Britain to grow faster than would otherwise have been the case. But there can *be no guarantee of this.*

The supply-side theory is that cuts in tax rates will persuade top earners to work harder, because each hour's labour will have greater purchasing power. Indeed, in *extreme* versions, the rise in output (and declared income) is so great that the tax cuts pay for themselves.

Caution, however, is advisable. In the short run, the Inland Revenue believes that, far from paying for themselves, the top rate cuts will cost money – £2bn next year. In the longer run, the cuts, *by raising incomes* and making a given standard of living more easily attainable, may do as much to promote leisure as increased work effort. Moreover, as an exhaustive Treasury study by Professor C V Brown pointed out, most *individuals cannot* work longer hours, even if they feel impelled to by the Chancellor's tax cuts.

Much more important: the classical economic model of rational, sovereign consumers caring only about their individual welfare is a gross over-simplication. The springs of human motivation are *much more complex.* Indeed such thinking is simply not understood in countries like Japan where social and communal values have always been paramount.

Group loyalties and a commitment to *social* rather than purely individual goals are important even In Anglo-Saxon countries. Why have so few doctors deserted the National Health Service? Why do so many financially *successful people enter politics* and work extremely hard (harder perhaps than in their youth) in return for a tiny economic reward? Money does not have to be a prime motivator, although it perhaps can become one if a society starts to place sufficient value on it.

> The Government appears to set most store on boosting the incentives of those who can already meet their basic needs several times over

Sceptics are also conscious of *what might be called the dark* side of Thatcherism. Even if the promotion of incentives for the well-to-do achieves all that Mr Lawson hopes, for most people it would not justify allowing the "safety net" for the poor to fall into disrepair. Talk of a British "underclass" is no longer fanciful. Inequalities have widened since 1979. There is undoubtedly a sizeable group that remains untouched by the comparative prosperity of recent years. Unemployment is still extraordinarily high in some areas, especially outside the south-east, yet the *subject was not even addressed* in the Budget.

Mr Lawson says his tax reform programme is just about complete. Yet there are huge gaps. The top tax rate in the system is not 40 per cent, as he claims. Some 500,000 families, with incomes around £100 a week, face effective marginal tax rates of between 70 and 95 per cent because of the withdrawal of means-tested social security benefits if their earnings creep higher. The Government sets great store on boosting the incentives of those who can already meet their basic material needs several times over. Yet low achievers always need more help and encouragement than high achievers.

In nearly five years as Chancel*lor, Mr Lawson has undertaken* only minor reforms of national insurance contributions (a regressive levy with an artificial ceiling). He has not tried to find ways of radically reforming (if not integrating) the tax and social security systems.

Low taxes for the very rich, who are few in number, do not *logically entail an inadequate* safety net for the poor. But the two often seem to go hand-in-hand. It is no accident that Sweden, say, has more generous welfare benefits than the US. The point is that if a society does not not believe in steeply progressive taxes, it probably does not care much about equality; if it does not care about equality, it is unlikely, as a matter of practical politics, to care very much about the condition of the disadvantaged.

For the middle classes, however, a more potent criticism of Thatcherism may be that *it* is not good for *them.* The reason is that the quality of life depends on more than the health of private industry and the size of one's disposable income. It depends also on the balance struck between the provision of private goods and the provision of public services.

In the 1950s, *J K Galbraith* commended the virility of US business but pointed out that life in American cities was none the less not very pleasant: "The schools are old and overcrowded. . .The parks and playgrounds are insufficient. . .Streets and empty lots are filthy. . .Internal transportation is overcrowded, unhealthy and dirty. . ."

It is possible to argue that the US, despite the manifest virtues of its individualism and free markets, lacks social balance. By choosing not to expand public *production,* it arguably *misses* opportunities for improving life. A community can be as well rewarded by better schools or health care as by better electronic gadgets.

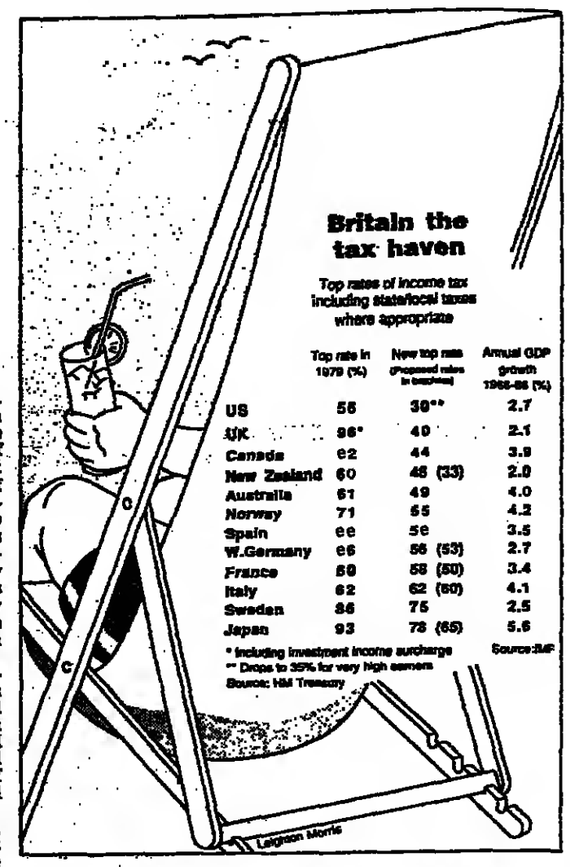
Britain in the 1980s is not yet a carbon copy of the US. But top earners in the City may reflect on the limitations of tax cuts as they *bump and grind to work on* ancient and overcrowded tube trains. The tier below – the people the Government likes to call meritocrats – who cannot yet insulate themselves from the inadequacies of state education and the National Health Service are better off in only a very partial sense as a result of a Budget *that puts money in their pockets,* promises e 20p basic rate, yet offers no improvement in public services.

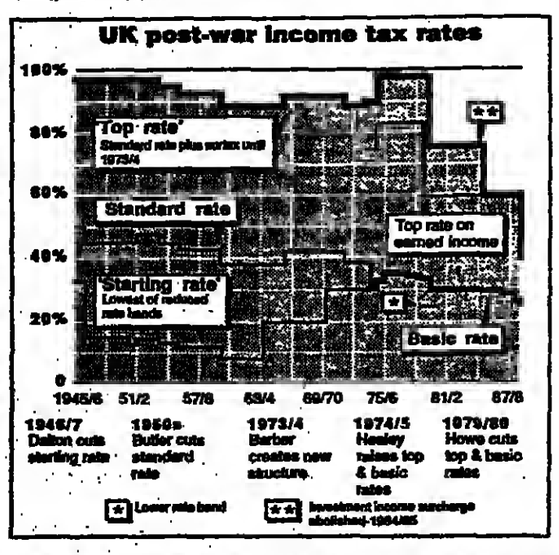
As the wealth of a society rises, demand for services such as health and education tend to rise faster than gross national product. The Government's policy of holding public spending constant in real terms in order to afford bigger and bigger tax cuts thus raises the possibility at least that the UK is heading for e Galbraithian social imbalance.

The UK under Mrs Thatcher has come close to abandoning *any commitment* to reduce income and wealth inequalities. Indeed, some ministers privately argue that still bigger inequalities are needed in order to spur enterprise yet further. The post-war cap on high incomes (the top tax rate was 90 per cent or more for nearly four decades) has been set aside.

It may never have worked properly and it may partly have been motivated by base emotions such as envy. But the project of spreading wealth more evenly was not entirely misguided. Poverty is a relative concept. Youths in Brixton and Toxteth do not regard themselves as fortunate because their standard of living is higher than that of Indian or African peasants.

The US is a much richer country than Britain. Yet it has a bigger underclass. The theory that economic growth alone is sufficient to solve social problems is untenable. The "trickle down" effect does not work reliably. A 40 per cent top rate of tax may be good for enterprise, but it will not necessarily make Britain a nicer place in which to live.





Man in the News

Ciriaco De Mita

Pillar of the party takes the strain

By John Wyles

THERE is no small risk involved in nominating Ciriaco De Mita this week's Man in the News. He is presently engaged in trying to form Italy's 48th post-war government – an enterprise whose high failure rate quite often means a very abbreviated moment of glory.

The non-Italian can be forgiven for asking Ciriaco who? During six years in e post which is arguably more powerful than the premiership, secretary of the Christian Democrat party, he has not commanded much attention abroad. He has not been prime minister before but could have remained internationally anonymous even if he had.

Indeed only a handful of the 16 men who have had a spell heading what is now the second or third largest economy in Europe have become familiar names internationally. Their periods in offics, with the exception of Socialist leader Mr Bettino Craxi's recent four years, have usually been too brief to allow them much impact.

But De Mita's progress towards *the premiership is of more than* casual interest because he is at ths same time the pillar of a political system which is performing badly, a leading advocate of its reform and also one of its victims. In recent weeks the countenance has seemed even more than usually lugubrious and the eyes even more spaniel-like, giving e firm impression that this 60-year-old politician from the mountainous country of Avellino, south east of Naples, is less than enthusiastic about being prime minister.

Nevertbeless, liks all good *Christian Democrats, he identi*fies party interest with national interest and seems to accept that the party badly needs e good prime ministerial performance from a national leader. Wracked by scandals and internal divisions, its post-war lien on the premiership was broken in 1981, despite being the largest party. The restoration, first under the caretaker octogenarian, Mr Amintore Fanfani, for 12 weeks *last spring and summer, followed* by the seven recent tortured months of the departing Mr Giovanni Goria, has not gone well.

The reasons have much to do *with Mr De Mita's own failures.* "They are punishing him by making him prime minister," said one official yesterday, referring to the manacles which the party's faction leaders have closed around the De Mita wrists in the past month. Despite their protestations of loyal support, the barons want to make him premier as a *first step to easing him out of the* secretaryship because they are jealous of the power he has concentrated in his own hands and dissetisfied with the meagre fruits of his political strategy.

Since he was first elected in 1982, he has been allowed two further terms to achieve his aims of renewing the party's popular *appeal* and of *neutralising* Mr Craxi, his arch rival and the greatest threat to continuing *Christian Democrat hegemony.* In last year's election, however, the Christian Democrat voting share of 34.3 per cent was only a modest advance on the 1983 post-war *low of 32.9* per cent and no encouragement to believe that the party can return to the 38 to 40 per cent which was once its post-war norm.

At the same time, a 2.9 point increase in the Socialist vote strengthened Mr Craxi's dedication to destabilising and weaning support away from the Christian Democrat party in general and from Mr De Mita in particular. If he agrees to maintain the five-party coalition formula and to put his men into a De Mita government, he will keep a loaded pistol close to the new prime minister's head.

The loathing between the two men is plain after six years of *duelling, but it would be surpris*ing if Mr Craxi did not by now respect De Mita as a worthy *adversary. He may be a poor pub*lic performer and his extraordinarily adenoidal Avellinese accent may arouse a certain disdain, but there is no doubting the *De Mita steel.*

Christian Democrat politics are one of the fiercest furnaces in the world. A catch-all party in which regional chiefs build-up formidable local power bases, the party requires its leaders to be enormously intuitive and fast-footed. De Mita's entry came via the Catholic University of Milan *where he was both a student and* a teacher.

He cut his teeth as a machine politician in the early sixties by seeing off Fiorentino Sullo, a local boss of legendary ruthlessness in the Irpinia region.

His main experience of government dates back to the 1970s when his two principal offices were Minister for Industry and Minister for Foreign Trade. His critics say that he showed frequent indecision and a much greater preoccupation with party than government affairs.

The question about a De Mita premiership is whether he can show that he is more than a Southern machine politician. Over the last six years he has made endless speeches regretting the growing distance between the electors and the political class. *His attempts to root out the* worst cases of corruption in his own party, particularly in Sicily, showed some readiness to grapple with this lack of public regard which is possibly the Italian state's principal weakness.

De Mita says that as premier he wants to continue confronting this "moral" question. His credibility is only weakened by the fact that he and other leaders have been saying the same things for years while the pirates continued to raid the public coffers.

From time to time he also acknowledges, as did Aldo Moro, *one of his predecessors, that a* more fundamental problem is the Christian Democrats' eternal hold on political power. He says thet institutional reform is another of his main priorities but it is still far from clear whether he will ever push for changes which would put the party regime in jeopardy.

His agenda also includes action to reduce the towering government deficit and preparatory legislation for the arrival in 1992 of the European Community's internal market. This is all very ambitious stuff requiring a full-time commitment and, in the end, probably a readiness to surrender his position as party secretary. If he *attempts* to *hang on at the* party's next Congress, which could be in the autumn or even next spring, then the budding statesman will have succumbed to the machine politician.

"Nothing has come easily in my life and even when I have been successful, things have always been difficult. That is why I am patient. And for me patience does not mean backing down." De Mita told his biographer, Bettino Craxi, and, doubtless, his own unruly party, will certainly test his patience over the next few days and weeks precisely to see how far he can be made to back down.

British trade unions and industrial development in Scotland face difficult challenges after Ford's decision to drop plans for a plant in Dundee

A nettle that the unions must grasp

REPORTS started to fly about Dundee a week ago that the manager-to-be of Ford's £40m electronics plant in the town had stopped looking for a house in the area. What that implied is now clear: the company had *decided to abandon its plans. The* crucial reason was that the UK trade unions failed to agree over what to do about the company's insistence on a single-union deal.

The decision brings into the open a long-running, so far largely hidden, debate about the changes employers *and* employees are now making in their relationships with trade unions. The continuing decline of union membership, despite an increase in employment, has demonstrated that *employees' attachment to unions* is much less than a decade ago – the high-water mark of British trade union membership. Employers have been revising their arrangements for staff representation through direct communication with employees, a greater stress on individuality in relations with them, and simplified bargaining arrangements with the unions. In some workplaces, unions have been eliminated altogether.

Single-union deals are part of these changes. It is not a new arrangement: *where they can, unions have* been signing such agreements with employers for years. But three factors are different now:

- The increase in the number of companies operating without any union has meant that where the prospect of unionisation arises, especially in new plants, traditional inter-union competition has sharpened.
- Unions – led by the Electrical, Electronic, Telecommunications and Plumbing Union (EETPU) – have switched to trying to recruit employees by first signing *deals* with the employer. This has increased employers' control over union recognition and led to the development of "beauty contests" where each union interested in representing a plant's employees "parades" before the employer in direct and open competition.
- The decline in union power during the recession of the early 1980s has enabled managements to achieve many changes in employment practices, including e streamlining of bar*gaining arrangements. Not only* has this not been opposed by unions, but it has come about largely with their co-operation.

"In practical terms, most unions accept that employers establishing new sites are consistently seeking single-union agreements," says a confidential report prepared for the Trades Union Congress. This is to be considered next month by the TUC's special review body, which has been agonising over single-union deals.

The report adds: "Most large *unions organising in the private sector* are offering single-union agreements to employers." To help regulate this type of development, the TUC, under Mr Norman Willis, its general secretary, is proposing new procedures which, had they been in place, would probably have prevented the inter-union row over the Amalgamated Engineering Union's (AEU) proposed single-union *deal for* Ford at Dundee.

But the unions' present policies on single-union deals only allow for them in very tightly defined circumstances. "It seems as if the institutions of the trade union movement just can't respond quickly enough to the demands of the market place," Mr Alistair Graham, director of the Industrial Society and a former TUC General Council member, says. "The market place is saying: wherever possible, where employers have multi-*union set-ups, they would like to* move to very much more efficient bargaining arrangements – and preferably to a single-union deal."

Mr James McFarlane, director-general of the Engineering Employers' Federation, says: "The single-union agreement must surely become the logical norm – and not just where they are set up by foreign owners or away from traditional industrial centres."

This is echoed by Mr Derek Evans, director of the conciliation service, Acas, in Wales, where many unions have been signing single-union deals. He says: "Ths pressure on new, greenfield sites from employers for single-bargaining arrangements, or preferably single-union deals, is quite considerable."

Norman Willis caught between Gavin Laird on the right and Ron Todd on the left

One such employer in the area, *Sony UK, the British subsidiary of* the Japanese electronics group, signed a single-union agreement with the AEU for its Bridgend plant in 1975. "From our point of view in dealing with the AEU our single-union deal is working very well," says Mr Alun Jones, the plant's industrial relations manager.

"The advantage is that we can develop a good working relationship with a group of people who understand what our business is all about. If we had to spread that effort over three or four or more unions, we, perhaps, would not develop that understanding."

There is a unanimity among trade unions on single-union deals which, in the light of Ford, Dundee, might look surprising. On the right, Mr Gavin Laird, AEU general secretary, *says such deals reflect more sensible* bargaining arrangements. In the centre, Mr John Edmonds, general secretary of the General, Municipal, Boilermakers and Allied Trades Union, (GMW) says: "Single-union deals seem to be a very sensible way of organising industrial relations." And on the left, Mr Ron Todd's Transport and General Workers' Union (TGWU) recently told the TUC: "As a general union, we have favoured this pattern of unionisation," subject to the TUC's guidance.

Unions like single-union deals, especially when they are first past the post in the race to sign them. But none of them like being beaten by a competitor, or worse still, being excluded from a previously multi-union plant which is moving to single-unionism.

A TUC survey of single union deals, prepared for its special review body, says there are relatively few cases where employers have insisted on introducing single-union deals to preclude or replace multi-union bargaining. The cases where this has happened – Hitachi in South Wales, Norsk Hydro on Humberside – are renowned in industrial relations circles.

A new survey of the UK's leading 1,000 companies, carried out at Cardiff Business School, shows that two thirds have multi-union arrangements and only 6 per cent have single-union deals. But the picture is very different among inward-investing companies in Britain. A recent Department of Trade and Industry survey of 300 shows 21 per cent (much higher among Japanese-owned firms) with single-union deals – and 56 per cent with no union at all.

"People want to get away from unions if they can. No self-respecting manager these days will plump for a union if there is a non-union alternative," says Mr Squire Sanders, an inward investment executive with the West Midlands Industrial Development Association.

"The real choice for employers now," says Mr Graham Mather, general *director of the Institute of Eco*nomic Affairs, "is between no recognition and a single-union deal, rather than between single-union and multi-union deals." Facing up to that choice, if it does become a genuinely widespread one, will be gravely difficult for unions in the UK, which are only just beginning to take note of the development of non-unionism.

What Ford's decision over its proposed Scottish plant makes clear is that to avoid further disasters like Dundee, the unions have to do *something* about the arrangements, and the slowness, with which they deal with the inter-union problems arising from single-union deals. The TUC's proposed procedures – bringing the "beauty contest" in-house so that the unions themselves decide in advance which union should try to organise at a particular company – might help, though they have run into trouble from unions on all sides.

If that continues, many more managers at many more companies may, like Ford's at Dundee, abandon their house-hunting. "If the British trade union movement doesn't get a grip on the fact that employers are going to want single-union deals," says *Alun Jones of Sony, "it's going to* face something like Dundee again and again."

Philip Bassett

Body blow for Dundee's economic revival

THE SCRAPPING of Ford's plans for a major electronics plant in Dundee is a big setback in Scotland's drive to attract inward investment; for Dundee it may be little short of a tragedy.

Ford's choice of a site in Dun*dee's designated Science Park*, with sweeping views of the Firth of Tay and rich farmland, seemed to mark the end of a long period of economic decline for the city, caused by adverse economic forces, and aggravated by the short-sightedness of the city's leaders and, until recently, a bad labour relations record.

The danger is that Ford's abandonment of its planned plant, because of the failure to settle a dispute over union recognition there, will make other foreign companies reluctant to invest in Scotland. The attraction of inward investment is an important plank in the Government's policy for Scotland, despite criticisms that inward investment tends to foster a "branch plant" economy. The foreign-owned plants usually lack research and development functions, and have only a small number of managers in relation to the numbers of shopfloor workers. Thus, it is argued, they create an unbalanced economy, forcing some potential managers to look outside Scotland for jobs. Furthermore, inward investment in electronics still has a long way to go in fulfilling hopes that it would create a strong indigenous electronics industry.

But the big plants like IBM in Greenock are still major centres of skills and training as well as employment. About 50,000 people in Scotland work in plants owned by foreign companies, accounting for 12 per cent of the country's manufacturing workforce. It is reckoned that foreigners have invested £1bn in Scotland since 1981, and in the past few months major companies such as JVC from Japan have decided to set up operations there.

Professor Neil Hood, director of Locate in Scotland, the joint venture between the Scottish Office and the Scottish Development Agency (SDA), which attracts inward investment to Scotland, acknowledged yesterday: "In the short term Ford's *decision to pull out will damage* Scotland's image. There's no question that it's a setback for us as it was a flagship project.

"It's unfair really since Ford pulled out because of UK-wide rather than Scottish problems."

Professor Hood argues, however, that despite the bad publicity which the Ford débâcle may produce for Scotland, most potential investors will realise that there were unique factors in the Ford case. Ford was a major company, already well-established in the UK, which was moving into the new field of electronics: this was likely to create problems for the unions.

"Companies that think of coming here do a lot of research and great deal of investigation, and are likely to take a balanced view," he says.

One factor they are likely to note is that although Ford was insisting on having only one union in its Dundee components plant – as against the dozen which operate in the rest of its UK operations – most other foreign electronics plants in Scotland (and all those established by US companies since 1972) are non-unionised, as are the major Japanese plants.

Furthermore the SDA is able to present batteries of statistics – in glossy booklets – attesting to the good labour relations and high productivity of the Scottish labour force in high technology and electronics factories.

The SDA thus has some justification for believing that the combination of access to European Community markets, suitable, readily available sites, a willing labour force and some government financial assistance will continue to bring foreign investors to Scotland.

Some of them may well go to Dundee. But the loss of the Ford plant is still a serious blow to a city which seems at last to be pulling itself out of a long period of decline. Dundee lost its sense of direction as its traditional jute industry declined, from 19,000 employees in 1960 to less than 1,000 today.

Through inertia the city largely missed out on the boom in North Sea oil activities. The two big investors which the city attracted in the early post-war period – National Cash Register and Timex – have made drastic employment cuts in the past few years. Timex had 7,000 employees in Dundee 1981, but is now down to less than 1,000, while NCR has crept up to 1,200 since a low point of 800 in the early 1980s, with a peak of 6,300 in the 1960s.

These companies' difficulties were exacerbated by labour troubles, particularly in the early 1980s, ironically often the responsibility of the AEU, which offered Ford the single union agreement for its new plant. In addition, the left-wing Labour city council did little for the city's image. It twinned Dundee, amid enormous publicity, with the West Bank town of Nablus and, more seriously, police opened still incomplete investigations into allegations of corruption by individual councillors.

The council is now in moderate Labour hands and a series of initiatives to improve the city – known as the Dundee Project – are under way, co-ordinated by the SDA. Some £70m has already been spent, and work is soon to begin on improving Dundee's neglected waterfront, where Captain Robert Scott's Antarctic exploration ship, Discovery, is now moored, recently moved from London. That gave Dundee the slogan City of Discovery and fostered the belief that Dundee is at the stage Glasgow reached five years ago, when it told the world it was "Miles Better."

Winning the Ford plant for the new Science Park would eventually have brought up to 1,000 jobs, absorbed some of the city's redundant electronics workers, and helped to reduce the city's 14.4 per cent unemployment rate. It would have been a branch plant, but it would have been a striking symbol that Dundee was at last on the way up again. Now it is not to be.

James Buxton

Letters to the Editor

There is more than fun in the Leipzig Fair

From the Ambassador of the German Democratic Republic.

Sir, If *one* believes the Financial Times of March 14 ("Leipzig enjoys the fun of the fair"), the Leipzig Fair is a "frustrating affair for the many western companies showing their wares." According to your reporter's opinion, this cannot be any different "on the wrong side of the Iron Curtain."

It does not astonish us that it is still fashionable in the UK to think in terms of the cold war. The question is, however: is such an attitude still in keeping with the realities and interests of the British business community? If one follows the logic of your arti*cle, the tens of thousands of for*eign businessmen visiting the Leipzig Fair every year, and the numerous government representatives from all west European and many overseas countries who, on the same occasion, travel to the "wrong side of the Iron Curtain", are all wasting their time. Basically, the Financial Times is recommending the British business community to yield to the competitors.

The competitors, on the other hand, know very well that Leipzig is not only the oldest, but also the biggest European trade fair; it is a unique meeting place for East-West trade. It also provides an excellent framework for political meetings with the leadership of my country; this was not the least of the reasons why, *for instance, many ministers,* West Berlin's mayor, and the Bavarian prime minister, Mr Strauss, visited the Leipzig Fair.

It is the place where contracts to the tune of thousands of millions are signed. If, for example, trade between the German Democratic Republic (GDR) and the Federal Republic of Germany (FRG) rose to 15.3bn foreign exchange marks, the Leipzig Fairs played a major part in this.

It is for exactly that reason that all West German states have "large stalls in Leipzig" – not because they "are all hoping for the future". Let us stick to facts, *Sir, and not indulge in old* clichés.

Gerhard Lindner,
Embassy of the German Democratic Republic,
34 Belgrave Square, SW1

A new dawn was expected in Czechoslovakia

From Mr Mark Flajsner

Sir, Leslie Collitt draws rather strange conclusions from the events of the immediate post-war period in Czechoslovakia up to the 1948 communist takeover ("A 40-year slide into disillusion," February 22).

To state that young apparatchik (in Czech, *kádrový*), full of youthful innocence, took more than 20 years to make this "slide" is somewhat hard to believe; and the *example of Milos Hajek*, an intellectual, seems to testify either to his stupidity or his careerist attitude.

While I agree that there was a large groundswell of popular feeling towards the Soviet Union and the Communist Party (KSC), this was not exceptional in the circumstances.

The Red Army (in which many Czechs and Slovaks fought) had liberated the country from seven years of Nazi rule, and the Munich débâcle was still fresh in people's minds. Hence a new dawn was expected. The KSC, under Gottwald's direction, was the eager provider, and in May 1946 swept to a 38 per cent electoral victory. With key ministeries under its control, the KSC could redistribute confiscated *Sudeten wealth and property on* the basis of *blind faith;* ideological loyalty was not without material benefit.

I am not, however, suggesting that in those early years every Czech and Slovak was motivated by self-interest. What I do contest is that those who proffer innocence *of all the grim events of* the Stalinist years are not – *de facto* – vindicated of complicity. Already in 1945, with the abrupt halt of the American liberating armies not far from Plzen in Western Bohemia, it became apparent to a great many that a wider game was being played – without the involvement of local political parties.

It was the Truman doctrine and the Marshall Plan in March 1947 (which was initially *accepted* but later, on orders, turned down) which expedited the process to complete takeover as popular support for the KSC was waning, and geopolitical considerations took greater precedence in Moscow.

Mark Flajsner,
31 The Pryors,
East Heath Road, NW3

Parents may be misrepresented

From Mr Alex Arthur.

Sir, Your report on Scottish education (March 14) auggests that Michael Forsyth, the Scottish Education Minister, is trying to bring a rather old-fashioned system up to date rather than turn the clock back 20 years.

The preconception that parents are the "consumers" of the products of the education system reflects a dogmatically commercial approach to a topic which will be obscured by having false categories forced upon it.

Surely parents are only "consumers" in so far as they are their childrens' trustees. The discharge of this trust is not usefully compared to, say, the selection of a video recorder, where *only the purchaser suffers* if he or she has inadequate information.

Is it true that "parents want testing"? Or is it that they want to be sure that their children are being properly assessed, so that their education is tailored to meet their needs?

Does parental involvement in education require the setting up of school boards, or does it simply require a more determined effort to bring all Scotland's schools into line with the parent liaison practised in the best of its primary schools? If school boards are desirable, can they not be set up under the school councils provisions of the Local Government (Scotland) Act 1973?

Is Mr Forsyth really trying to do something constructive in Scottish education, or is he trying to promote his own political interests by misrepresenting parents' concerns and rushing through a series of inadequately discussed reforms?

Alex Arthur,
5 Raasay Gardens,
Langstract,
Aberdeen, Scotland

Musical chairs in motoring design

From Mr T.W. Rogers.

Sir, The concern shown by the chairman of General Motors (GM) for the future of the European motor industry at the hands of the Japanese (FT, March 16) rings somewhat hollowly the day after Nissan announces that it is to set up a European design office in the UK, while GM is attempting to sell off its UK design and development offices at Luton.

T.W. Rogers,
4 Alders End Lane,
Harpenden, Hertfordshire

Telephoning may be bad for your health

From Mr L.R. Dowsett.

Sir, You recently commented on the nuisance caused to fellow train passengers by those executives who spend a large part of the journey telephoning their wives, girl friends and their office.

Britisb Rail should have "Phoning" sections on its trains, as it has "Smoking" sections. *Usually only the front half of one* First Class carriage is not labelled "No Smoking". I suggest that its rear half should be the "Phoning" section. All "Non Smoking" compartments should also be labelled "No Phoning".

L.R. Dowsett,
7 Kerdistone Close,
Potters Bar, Hertfordshire

From Mr T.A. Layton.

Sir, Your older readers are against the little Slimtel telephones which subscribers can opt for. The Slimtel 10's digits are too small, and the beastly thing has to be laid absolutely flat, otherwise all the other lines on the same circuit do not work.

T.A. Layton,
St James Square,
Boroughbridge,
York

'In privatising electricity the Government is declaring open season on the UK coal market'

From Mr P.E. Heathfield.

Sir, Your leader, "Why Coal Must Be Privatised" (March 15) left informed *analysis* behind.

Now, as the coal industry is plunged into yet another crisis by electricity privatisation and the linked decision of the South of Scotland Electricity Board to replace British coal with imports, you say that the real answer is to privatise the coal industry first.

Your leader writer, like the Government, has ignored the agonised debate that went on about the future of coal between the wars. It is worth remembering that it was a Conservative Government which recognised, in 1935-36, that the private owners had disastrously failed the nation. Adding to previous Labour legislation on coal, they enacted laws which later formed crucial parts of the Nationalisation Act of 1945. As The Times *noted in 1986: "While Parliament* is saving the industry from self-destruction, it must also save the community from exploitation." Today the Government is both promoting the destruction of the industry and setting up the community for exploitation.

In privatising electricity it is declaring open season on the UK coal market. It is actively demanding that electricity generators import coal which is sold at dumped prices in an international market which is anything but free. Once the UK industry is destroyed, energy customers should beware: the huge transnational energy firms which dominate both the steam coal and oil trades will secure whatever price they desire.

In promoting an industrial *relations policy aimed* at destroying the National Union of Mineworkers (NUM), and now apparently NACODS (the pit deputies) as well, the Government is undercutting the possibility of the rapidly increasing performance it constantly demands.

The huge investment made by governments since 1974 is now coming into fruition – the heavy duty face programme, now only 40 per cent complete, will include every coal *face within four years.* But instead of letting this bear fruit, the Government wants to reduce the industry to a privatised rump, and throw much of the investment away, British Coal is now closing "high tech" mines worth over £50m; with huge coal imports it will be closing profitable mines by the dozen.

The legislative framework of nationalisation was drafted with two assumptions in mind: first, that there would only be one operator in the industry, second, that miners' lives and well-being had a higher premium than that placed upon them by the private owners. Neither the mining unions nor the public will allow any Government to remove the miners' basic right not to be killed or maimed at work.

With two centuries of mining behind us, and another three waiting ahead, the country is owed a high technology, publicly-owned mining industry capable both of reducing costs and enhancing the miners' quality of life. The industry is crying out for a framework agreement on technical change that could guarantee the continued, successful exploitation of Britain's buried treasure. The Government needs to overcome its lunatic obsession with smashing the independent spirit of the mining communities.

It was this spirit which led to the late Lord Stockton's, observa*tion that* "the miners defeated the Kaiser and they defeated Hitler." Mrs Margaret Thatcher, who can brook no opposition, is not modernising coal, but destroying it.

P.E. Heathfield,
National Union of Mineworkers,
St James' House,
Vicar Lane,
Sheffield, South Yorkshire

LWT makes alternative proposals to tendering

BY FIONA THOMPSON

TELEVISION FRANCHISE holders should face a performance review every three to five years and lose their franchise if they fail, Mr Christopher Bland, chairman of LWT (Holdings) said yesterday.

In addition, TV companies should be open to takeover – something which is effectively impossible under most of the companies' present articles of association.

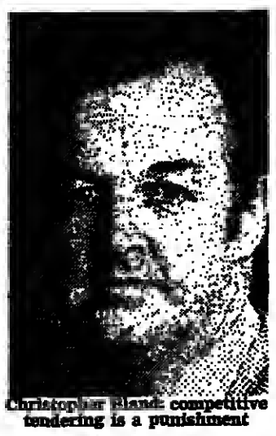
LWT has submitted these proposals to the Government as an alternative to competitive tendering. A Cabinet committee last month decided to push ahead with auctioning franchises to the highest bidder when the present, extended, ITV franchises run out at the end of 1992.

"Competitive tendering is the one thing we would most like not to see. It is a cruel and unusual punishment," Mr Bland said. Sound commercial judgements about appropriate tendering levels were almost impossible to make.

The proposed performance review would include a public assessment of network and local programme output and compliance with rules on accuracy, advertising, taste and decency and the portrayal of violence. Any company failing to perform should be forced to sell its franchise within six months.

Mr Bland revealed the details of LWT's case against tendering at a meeting to announce the company's results for the half year to January 24. Pre-tax profits rose from £12.70m to £13.26m after an exchequer levy of £6.45m (£6.19m).

The results were "satisfactory", said Mr Bland, given that the previous year had been "dazzling". Advertising revenue in the six months had been "pretty flat", just under 5 per cent up on last time, giving LWT an 11.2 per cent share of total ITV network advertising revenue, slightly down from last time's 11.7 per cent.



Christopher Bland: competitive tendering is a punishment

On Tuesday the company is to present proposals for job cuts and fundamental changes in work practices to its 1,600 staff. Mr Bland would not say how many jobs will go but stressed: "We can't keep the same staffing and production levels when so much production is going outside." At the moment 12 per cent of LWT's programmes are made by independent producers, but this will have to increase to 25 per cent as decreed by the Government.

The proposals would include the issue of expensive overtime arrangements covering weekend working. "Working weekends imposes special strains, in terms of overtime costs," said Mr Bland. The company is meeting all three unions – ACTT representing technicians and journalists, BETA for studio staff and EEPTU for the electricians.

He denied that the proposals would lead to a strike but said "any prudent management wouldn't rule out that possibility."

Turnover for the six months was slightly ahead at £100.72m (£97.73m). Television and related activities contributed the bulk of profit – £11.24m. Century Hutchinson, the publishing business, made £392,000 and Page & Moy, the travel company, contributed £800,000. Property and other income brought in £827,000.

Tax took £5.30m (£5.08m). Earnings per share rose from 8.65p to 9.21p. An unchanged interim dividend of 2.04p was declared.

● comment

Yesterday's results, and the chairman's statement, were rather downbeat, but then you would not exactly expect fireworks and flags four days before the company announces major changes to working arrangements. Also LWT had warned in January that the results would be flat. Last year's sharp gain in market share brought with it a rise in costs, which remained in the first half despite market share slipping. In addition, LWT maintained its London share but London lost some to the regions. In spite of the low key public face, the company is pretty confident of maintaining its existing portion of network programming and its share of ad revenue has shown a recovery so far this half. The shares closed 6p down at 139p. At about £24m for the full year the prospective p/e is a reasonable 8.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. date	1987/88 High	1987/88 Low	Stock	Closing Price	+or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
215	F.P.	8/4	277	218	AMI Healthcare 20p	277	+15	a5.0	2.9	2.5	18.9
§130	F.P.	15/4	166	150	Archer (A.J) Hldgs 1p	166	+1	h6.5	2.1	5.4	12.4
†	F.P.	-	166	150	Barry Stanguard	166	+1	-	-	-	-
330	120	-	92	61	British Petroleum	81	+9	k12.5	1.5	5.9	14.5
20	F.P.	-	161	131	§Carron Phoenix 10p	160	-1	t3.5	2.7	3.9	16.7
§130	F.P.	-	148	135	§Copymoto 5p	135	-1	k2.0	3.0	2.0	16.5
†	F.P.	-	405	225	§GWR Group 20p	345	-10	-	-	-	13.6
330	F.P.	30/3	42	38½	Gardner Group 5p	41½	+1	h0.75	3.9	2.5	14.1
§64	F.P.	20/4	78	64	§Hughes (H.T.) 10p	78	-	k2.25	2.1	4.8	14.4
160	F.P.	25/3	165	154	§London Forfaiting	158	+3	a6.5	2.3	5.6	9.3
§100	F.P.	8/4	109	100½	§Norfolk House Group 5p	106	-	k2.19	3.8	2.8	10.6
97	F.P.	-	124	100	Pyson 5p	124	+6	a1.75	4.3	1.9	16.6
20	F.P.	-	21	19	Rib & Mex Ant Cap Tst 10p	20	-	-	-	-	-
100	F.P.	-	102	100	Do. Inc. Tst	102	-	k6.2	-	6.3	-
20	F.P.	-	10	7½	Do. Wrnts Tst 10p	7½	-½	-	-	-	-
†	F.P.	-	89	70	Selective Assets Tst 10p	75	+1	-	-	-	-
§650	F.P.	21/3	830	710	Shanks & McEwan 50p	§300	-	h19.5	2.3	2.6	22.6
§130	F.P.	-	138	123	TGI Group 1p	130	-1	h4.75	3.0	5.1	9.2
125	F.P.	18/3	145	123	T.I.P. Except	143	-	t4.2	2.3	4.0	12.1
§80	F.P.	7/3	90	81	§Titon 5p	84	-1	t2.35	2.7	3.8	13.3
§50	F.P.	13/4	60	60	§Transcrag Hldgs 10p	60	-	t2.0	2.0	4.4	15.4
135	F.P.	-	151	142	U.K. Paper 10p	148	+5	t5.0	2.8	4.4	8.8
§160	F.P.	-	196	181	Vosper Thornycroft Hldgs	181	-1	t7.5	2.4	5.7	10.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987/88 High	1987/88 Low	Stock	Closing Price £	+or -
100	F.P.	-	114	109	Argyle Trust 11pc Cnv. Sub. Unc. Ln 1992	114	+4
100	F.P.	-	117p	109p	BTP 7.5p Intl Cnv. Cum. Red. Prf.	117p	+2
100	F.P.	1/3	106p	103p	Cooper (F.J) 6.5p Cnv. Red. Cnv. Prs. Prf.	106p	-
100	F.P.	-	112p	109p	Ennis 6.25p Net. Cnv. Cum. Red. Prf.	111p	+2
100	F.P.	-	25¼	25¼	London Merc. Secs. 10% 1st Mort. 2018	25¼	-
100	F.P.	-	121p	109p	Morgan Crucible 7.5pc Wd. Cv. Cm. Rd. Pf.	119p	-
100	F.P.	-	107p	102p	Nat. Home Loans 7.5pc Cnv. Pf	107p	-
-	F.P.	-	100	100	N'wide Anglia 9¾ Bd Red 13.3.89	100	-
-	F.P.	-	100A	99¾	Do. 9¾pc 20.2.89	100A	-
1	F.P.	-	91p	89p	Select Asset Tst Uts Exp Iod Ln'13	91p	+2
100	F.P.	-	107p	107p	Scott & Robertson 7½ Cum. Cnv. Red. Prf	108p	-
100	Nil	5/4	4ppm	2ppm	§Smallbone 7.25p Cun. Red. Prg. Prf. £1	3ppm	-
100	F.P.	-	105	101	South New Court Cnv. Cum. Red. Prf	105	+2
100	F.P.	-	115p	109p	Stanley (A.G.) 5.75p Cum. Cnv. Red. Prf.	115p	-
100	F.P.	-	136p	116p	Thomson T-Line 5.75p Net. Cv. Red. Prf	136p	+5
100	F.P.	-	116p	110p	Witney 8.76pc. Cv. Cm. Rd. Pf. 2000 £1	116p	-
-	F.P.	-	138	127	Woolworth Hlgs pc. Cm. Cm. Ln. 2000	138	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1987/88 High	1987/88 Low	Stock	Closing Price p	+or -
15	Nil	-	11¼pm	9pm	Charterhall 5p	9½pm	+½
25	Nil	-	63pm	31pm	Hartons Group 5p	36pm	-
9	Nil	20/4	3½pm	1½pm	Jackson Exploration	1½pm	-
17	Nil	29/4	8pm	5pm	Mining & Allied Supplies	8pm	-
275	Nil	-	365pm	310pm	Inaveon Group	315pm	+5
220	Nil	22/4	50pm	15pm	Parrish 5p	15pm	-5
57	Nil	22/4	20pm	6pm	Polish Products 10p	10pm	-
40	Nil	20/5	15pm	7pm	Sawrie Clothes 20p	8pm	-1

Renunciation date usually last day for dealing free of stamp duty. a Annualized dividend. h Figures based on prospectus estimates. t Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. a Forecast, or estimated annualized dividend rate, cover based on previous year's earnings. f Estimated annualized dividend, cover and p/e based on latest annual earnings. k Dividend and yield based on Prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. Q Gross. S Forecast, annualized dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. y Issued by tender. ♦ Offered to holders of ordinary shares as a "rights". ‡ Introduction. § Placing price. ¶ Reintroduction. ♦ Issued in connection with reorganisation merger or takeover. ‡ Allotment price. ♦ Dealings not for settlement. ♦ Official London listing. □ Including warrants settlement. * Third Market.

Refuge up 19% to £9.77m

By Eric Short

STRONG GROWTH in 1987 is reported by Refuge Assurance, the Manchester-based home service insurance company, with a 19 per cent rise in pre-tax profits from £8.23m to £9.77m.

Profits available to shareholders showed a 15 per cent increase from £7.84m to £9.04m, with the earnings per share rising from 16.82p to 18.73p.

The dividend for the year is lifted by 14 per cent from 15.75p to 18p.

Shareholders' portion of profits from ordinary life business rose by 7 per cent from £3.45m to £3.7m and by 9 per cent in the industrial life business from £3.58m to £3.9m.

There was a strong recovery in the group's general insurance operations which showed a small after-tax loss of £15,000 compared with a loss of £1.07m in 1986.

Overall total life premium income grew by 13.5 per cent to £159m and general insurance premium income by 13 per cent to £14.3m.

OIS unconditional

The offer for Oilfield Inspection Services by a consortium headed by Mr Paul Bristol was yesterday declared unconditional. The consortium now controls 53.2 per cent of OIS shares. The offer was extended until April 2.

Town Centre Secs.

Town Centre Securities is paying an interim dividend of 0.5p in respect of the year to June 30 1988 and not 5p as reported in yesterday's FT.

Andrew Hill casts an eye over the ambitious expansion aims of Terry Maher's Pentos

Shaking up sleepy UK book trade

WITHIN THREE to five years British bibliophiles could be buying nearly one in seven of their books from stores owned by Pentos – that, at least, is the company's ambitious goal.

Mr Terry Maher, founder and chairman, is one of a handful of entrepreneurs shaking up the sleepy UK book trade by applying modern selling techniques to a traditional retail market. He is hoping to boost still further the 5 per cent of that market Pentos claims to hold through its Dillons and Athena bookstores, and so far his aggressive tactics seem to be paying off.

Recently Pentos announced record pre-tax profits of £7.8m for 1987, lifted by a 62 per cent increase in trading profits from the group's specialist retailing sector, which since last August has included the Ryman stationery chain.

Pentos's competitors in the specialist book retailing trade include Blackwell's, Waterstone's, Hatchards and Sherratt & Hughes, part of WH Smith. All have, to some extent, applied the same selling techniques; most agree that competition can only be good for the trade as a whole.

Mr Tim Waterstone, chairman of Waterstone's, says: "There is a rare old battle about who is going to become the dominant top of the market book chain. I think it's about equal punching at the moment between us and Dillons."

Recent prosperity at Pentos contrasts with the early 1980s, when the high-flying company Mr Maher founded in 1972 ploughed into the recession at full tilt, highly geared and with vulnerable publishing, construction and engineering interests. Significantly, the bookshops Mr Maher had acquired when Pentos was born – Hudsons in Birmingham, where the group is about to open its sixth store – were almost alone in surviving the massive divestment which followed.

The company returned to profit in 1983, about the same time Mr Maher says he stumbled on the technique of modern retail design, already being widely applied in other areas of consumer retailing.

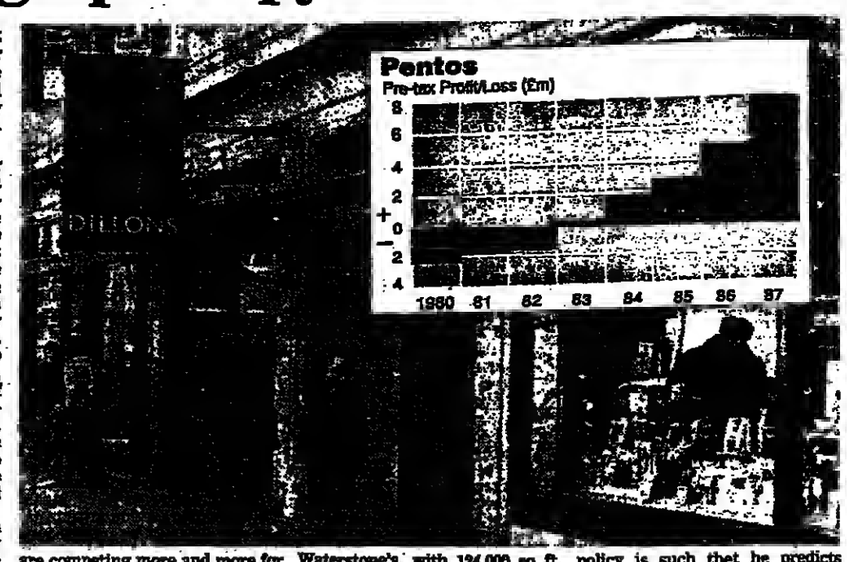
Since then logos, colour schemes, layout and decor in Pentos shops have all been redesigned; electronic point of sale equipment is being installed. The Athena book and poster shops and Dillons bookstores have already undergone facelifts at the hands of design consultancies and Ryman should come under the surgeon's knife this summer.

A new blue and red livery is to be grafted on to the chain, spreading from Ryman's fleet of vans down to its own-brand stationery. Mr Maher points out, with a certain relish, that the design which he is about to scrap dates back to the days when style guru Sir Terence Conran owned the shops.

The benefits of such attention to detail are, however, not merely cosmetic. For example, at the flagship Dillons bookstore in London's Gower Street £2m was spent installing a new logical layout and smart blue and white trimmings. Turnover increased by nearly 60 per cent and last year the 28,000 sq ft shop made sales equivalent to almost £400 per sq ft (something like a hundred small paperbacks per sq ft).

This year four more Dillons stores will be refurbished and three new stores opened, all in university towns, which provide a captive customer base.

Pentos still has a property development arm and expertise in that area is reflected in the specialist retailing division's ability to acquire interesting High Street properties for conversion, although other upmarket chains are competing more and more for the same sites.



Recently, Pentos bought a 15,000 sq ft store in Cambridge which it hopes will repeat Dillons' success in Oxford – heartland of the bookshop connoisseur and home of Pentos rival Blackwells – where a previously unremarkable site on the corner of Broad Street and Cornmarket was transformed into a landmark. Mr Maher now refers to it as Dillons Corner.

As a result of such expansion Pentos's top of the range booksellers were trading from 140,000 sq ft of retail space at the end of 1987 and Athena bookstores had 45,000 sq ft, but competitors are snapping at Mr Maher's heels: Blackwells has 152,000 sq ft; Hatchards a total of 130,000 sq ft; Waterstone's, with 124,000 sq ft, is aiming for 161,000 sq ft by 1989 and at the last count WH Smith held a useful 125,000 sq ft through Sherratt & Hughes.

Beside these giants the tiny independent booksellers look increasingly vulnerable. The imposition of VAT on books, widely held to be inevitable, could destroy the publishers' net book agreement, which prevents bookshops undercutting one another on price, opening the field to massive discount stores.

Mr Maher respects the independents, but sympathy will not hinder his strategy: Pentos still intends to be trading from 600 different locations and more than 1m sq ft inside five years.

Even without the acquisitions Mr Maher's faith in the design policy is such that he predicts organic growth during 1988 of 35 or 40 per cent from the 110 Dillons and Athena stores owned at the end of last year.

Ryman's 67 stores and the often overlooked office furniture division – currently held back by capacity constraints – are expected to grow by 25 per cent this year.

With Pentos aiming to add 100,000 sq ft of retail space to the 345,000 sq ft already owned, actual growth for the specialist retailing division in 1988 is likely to be higher and analysts are forecasting pre-tax profits up 41 per cent to about £11m, the sort of figure that the bookseller down the road can only dream about.

Acquisitions push Tyzack Turner ahead to £1.15m

BY NIKKI TAIT

Tyzack Turner Group, the Sheffield-based engineering group which has become a vehicle for Mr John Newman, former Hanson acquisitions manager, and Mr Nick Shipp, ex-stockbroker, yesterday announced pre-tax profits of £1.15m in the year to December 26 on sales of £16.75m. In the previous year, the adjusted figure stood at £73,000.

In large part, the figures reflect two recent acquisitions.

In late 1986, Mr Newman and Mr Shipp injected one of their own private companies, Deltight, which makes industrial fasteners and was warranted to make not less than £250,000 in 1986. This has been merger-accounted.

The second acquisition was United Packaging, a packaging goods and machinery maker, bought last July. Here, TT has used acquisition accounting, taking in profits for a five-month period.

Yesterday, Mr Newman said that there had been a substantial turnaround in the core Tyzack Turner business; this contributed (after exceptionals of £105,000) a pre-tax profit of £182,000 in 1987 (£300,000). However, Mr Newman declined to spell out the contributions of United Packaging and Deltight to the 1987 figures.

As announced earlier this month, the former TT business is now being sold on to neighbouring WA Tyzack, and Bintcliffe Turner, another private company owned by the Newman/Shipp duo, is being injected for shares. Yesterday, Mr Newman said that TT Group would have net cash balances approaching £4m after these transactions.

Earnings per share were 14.1p and there is a final dividend of 3p making 4p (3p) for the year.

Yesterday, TT shares eased 5p to 228p.

Baynes shows £1.2m loss

BY NIKKI TAIT

Charles Baynes, the Cardiff-based shell company where South African entrepreneur Mr Bruce McInnes moved in last August, yesterday reported a £1.24m loss before tax for the 15 months to end-December.

Sales in the period amounted to £8.52m, compared with £5.78m in the previous 12 months ended September 1986, when there was a deficit of £1m.

Of the pre-tax loss, £478,000 was accounted for by interest charges, while discontinued activities showed a £283,000 deficit.

However, as Baynes points out, the figures are historic, and a substantial character change has taken place. A number of businesses have already been sold and yesterday the company announced its final disposal – the sale of Seal Laundry for £985,000 cash to BET subsidiary, Initial.

This leaves it with two on-going Baynes operations, Charles Baynes Engineering, which makes hacksaw blades, and Stoneguard.

Yesterday, the company said that both the remaining Charles Baynes businesses traded profitably period.

Of the six on-going businesses, Baynes says that five are budgeted to turn in acceptable profits and positive cashflow, but it remains cautious about TKR International, the aircraft industry component company.

Water companies in agreed bid

BY ANDREW HILL

Biwater, a private water contracting and engineering company, is making a recommended cash offer for East Worcestershire Waterworks, a statutory water company which treats and supplies water for the area south of Birmingham. It is the first offer for a statutory water company since the 1973 Water Act.

The bid has been made through Biwater Supply, a company formed for that purpose, and values East Worcestershire Waterworks at about £2.98m. Biwater is offering 350p per ordinary share, against the last quoted price of 255p.

Statutory water companies, of which there are 28 in England and Wales, currently supply about 25 per cent of the UK's water under agency agreements with the 10 regional water authorities. Some of them, including East Worcestershire, are already Biwater clients, but the group refused to say whether it intended to buy into other statutory water companies.

Mr Alan Booker, chief executive of East Worcestershire Waterworks and head of the management group formed at Biwater Supply, said the starting point for the deal was a need to defend the company against possible absorption into the water authorities if Government plans for privatisation go ahead.

The financial benefits of buying such a company are restricted by its statutes, which fix the profits which can be distributed to shareholders. Surplus profits have to be passed through to consumers in the form of lower water charges. This will continue under Biwater's ownership.

"It is our first and foremost intention to continue to run the water supply of East Worcestershire to the same high standard in the future," Mr Booker said.

Biwater foresees other business opportunities, particularly in the operation of waterworks in developing countries.

It holds 11.91 per cent of East Worcestershire's voting capital and a further 21.68 per cent is already pledged to the offer.

Rise to £1.53m for Sykes-Pickavant

Sykes-Pickavant, the Lancashire-based manufacturer of hand tools for the automotive, industrial, hardware and DIY markets, announced pre-tax profits for 1987 up 16 per cent from £1.32m to £1.53m. The profit figure is 5 per cent ahead of the forecast made in November when the company came to the USM.

Turnover of £14.3m was achieved, up from £11.61m last time. Earnings per 10p share worked through at 11.4p (9.45p) and the directors are recommending a final dividend of 3p.

Mr P C Mindelsohn, chairman, said that sales, both home and abroad, had shown satisfactory growth, especially in western Europe. The expanded Speedline range had won the Best Garage Product award for the second year running – a unique achievement, he said.

Savage soars to £2.2m as acquisitions pay off

BY ANDREW HILL

Savage Group, the expanding DIY and hardware company, more than quadrupled profits for the half-year to December 31 1987, reporting £2.17m before tax against £476,000.

Existing businesses showed underlying growth of 18 per cent, according to Savage, but acquisitions provided the principal boost for the figures.

The company has bought 10 private companies since its flotation on the USM in May 1986. Turnover for the period climbed to £21.6m (£7.06m). Earnings per share increased to 4.5p (1.7p) and the interim is 1p against 0.75p.

● comment

The City's appetite for shares in Savage is only matched by Savage's hunger for more hardware companies: since January 1987 acquisitions worth over £28m have been funded by share placings, both before and after the crash. The European hardware industry also seems to offer a rich supply of smaller companies which Savage can gobble up for cash. The company – which now makes and supplies DIY accessories ranging from shelving to shower curtains – says it is comfortable with gearing at 65 per cent because of the speed with which its acquisitions generate cash. The real test may come with a substantial acquisition in France, expected in the next few weeks, but past experience suggests this too will be digested successfully. Profits without further acquisitions should top £6.6m before tax in 1988, putting the shares, down 3p to 265p yesterday, on a prospective p/e of about 16, a full rating but well-deserved.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Consol Venture ....fin	0.35	Apr 25	0.3	0.35	0.2
LWT (Holdings) ....int	2.04	Apr 29	2.04	-	5.7
Savage Group§ ....int	1	May 23	0.75	-	2.25
Sykes-Pickavant§ ...fin	3	May 20	-	3	-
Tyzack Turner ....fin	3†	-	3	4	3
Walker (Thomas) ..int	0.18	-	0.18	-	1.18

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‖Unquoted stock. #Third market.

Unilever's Budget bonus

HOLDERS of UK shares in Unilever, the Anglo-Dutch consumer products group, will receive a slightly higher net final dividend for 1987 as a result of tax changes in the Budget.

The final pay-out is 8.55p, compared with the previously announced 8.32p, to make a new total of 12.69p (11.86p). In effect, Unilever shareholders will receive the marginal amount which would have gone to the UK Government if the advance corporation tax had not be reduced from 27 to 25 per cent in line with the basic income tax rate.

The final dividend for the Dutch Unilever NV shares is unchanged. The change reflects a dividend equalisation agreement between the two Unilever companies.

Sotheby's looks set for spring flotation

BY CLAY HARRIS

Sotheby's Holdings, the privately owned US parent of the world's largest art auction group, said yesterday it hoped to proceed with share offers in London and New York this spring if stock market conditions were favourable.

The Sotheby's flotation was originally scheduled for last November but was postponed indefinitely in the wake of the October crash. Although the previous issue was never firmly priced, the indicated range valued Sotheby's at up to $400m.

Sotheby's emphasised yesterday that its financial advisers, Salomon Brothers International and Lazard Brothers, had not yet recommended that it was a suitable time for flotation. It was also clear that no decision had been made on pricing.

However, several UK companies which postponed share issues at the same time as Sotheby's have failed to match pre-crash estimates in their subsequent flotations.

TIP Europe restricted its debut in February to placings in London and Amsterdam which valued the trailer rental company at £83m. This compared with a pre-crash estimated market value of £100m and a planned offer for sale to raise £25m.

London Forfaiting, the trade finance group, raised £80m – roughly in line with the pre-crash total – but had to issue a larger percentage of its equity than originally planned.

Another guide to the possible value of Sotheby's is the post-crash performance of its smaller rival, Christies International, whose market capitalisation has only recovered to £181m from an October high of £237m. This is despite the takeover speculation which followed the purchase earlier this month of a 5 per cent stake in Christies by Phillips Son and Neale, the smaller, privately owned auctioneer.

The delay of at least four months will oblige Sotheby's to file a new pathfinder prospectus, with updated financial information. There will be no change in the original plan to create a two-tier share structure, which will leave control of the company firmly in the hands of Mr Alfred Taubman and fellow investors who took Sotheby's private for £83m in 1983.

Sotheby's said yesterday that the international art auction market had remained strong since October, with record prices continuing to be set in many areas.

Alfred Taubman: took Sotheby's private in 1983.

APPOINTMENTS

Three executive director posts at Charterhall

CHARTERHALL has appointed Mr Kevin Freedman, previously head of corporate planning at Touche Remnant & Co, as executive director, investments; Mr David Cutler, previously a financial manager with Schlumberger Group and Reuters, as executive director, accounting; and Mr John Greig, previously head of venture capital investments at Cazenove & Co, as executive director, investments. Mr Paul Batchelor, operations director of Westmex (Charterhall's ultimate holding company), joins the board as a non-executive director, replacing Mr Maurice Loomes, head of investment research for the Westmex Group worldwide.

★

Mr J.S. Greig, chairman of GREIG FESTER GROUP, will relinquish certain of his executive functions on April 5, when Mr D.R. Losse becomes chief executive. Mr J.M. Gray and Mr D.H. Spiller have been appointed directors, and Mr R.G. Phillips a divisional director of Greig Fester Ltd.

★

Dr John Viney, managing partner, has taken over an additional role as chairman of HEDRICK AND STRUGGLES INTERNATIONAL, London. Mr John Crozier, Mr Peter Breen and Mr Bob Meadows have been elected partners. Mr Nick Fitzgerald from Touche Remnant, and Mr Ed de Sa Pereira, formerly senior vice president of market and product development, Europe, American Express, join as consultants.

★

Mr Lars J. Cullert has been named vice president and general manager, new issues and syndicate, for SECURITY PACIFIC HOARE GOVETT, London-based debt securities and debt management unit of Security Pacific Merchant Bank. Mr Cullert joined the company in 1982.

★

The board of DAVY GVA, a new oil and gas technology company formed by Davy Corporation and Gotaverken Arendal of Sweden, will be Mr Peter Waite, chairman; Mr David Soley, chief executive; Mr John Wilson, general manager; Mr Magnus Ringner; Mr Robert Hedbacker; and Mr Andrew Oxley, company secretary.

★

Mr Terry Mullins will be joining NATIONAL PROVIDENT INSTITUTION as assistant general manager (personnel) on May 1. He is director of employee relations at Johnson and Johnson.

★

Mr Peter D. Day has been appointed technical and services director of ROLFE & NOLAN COMPUTER SERVICES. He joins from Extel Financial where he was data processing director.

★

Mr Alan Richardson has been appointed financa director of MAB SERVICES, a Haima subsidiary. He was chief accountant with Lloyds British Training Services.

★

Mr John Edwards, managing director of Testwell, has been appointed to the board of HARRY STANGER, and Mr David Brook, formerly of Quotnet Services, has been appointed financial director.

★

Dr Richard Baldwin has been appointed an executive director of APV. He joined in 1985 as managing director of the Crawley-based subsidiary.

★

CAMBRIDGE-LEE (EUROPE) has appointed Mr Ron McLean as commercial director, Mr David Mulholland as finance director, and Mr Tim Beilby as director of overseas operations.

★

Dr David Drinkwater has been appointed European regional director for commercial development at R.P.SCHERER CORPORATION, Swindon. He was export sales manager, and succeeds Mr Roy Collins, who has transferred to corporate headquarters in the US where he becomes director of corporate marketing services. Mr Peter Virley has been appointed director of marketing.

★

Mr John Fletcher has been appointed chairman and chief executive of AMBI-RAD. He is succeeded as managing director by Mr Mike Brookes.

★

Mr John Billing has been appointed sales director of LONDON BROADCASTING COMPANY from March 21. He was general sales manager at Independent Radio Sales and takes over from Mr Doug Brown who has joined Thames Television.

★

ELGA GROUP, High Wycombe, has appointed Mr Geoff Spink as managing director. He was managing director of Polymark Beaver Equipment.

★

CHEMICAL INTERNATIONAL ASSET MANAGEMENT (LONDON), European investment management unit of Chemical Bank, has appointed as investment managers Mr R. Graham Bates and Ms Janet Ransom.

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY MARCH 17 1988					WEDNESDAY MARCH 16 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)
Australia (89)	113.37	+2.5	91.72	102.66	4.12	110.55	88.71	100.15	180.81	85.36	114.94
Austria (16)	90.16	−0.5	72.95	78.89	2.66	90.59	72.70	78.52	102.87	84.35	93.79
Belgium (48)	132.73	+0.0	107.39	115.55	4.14	132.73	106.51	114.56	139.89	94.63	116.62
Canada (126)	121.06	+0.5	97.94	109.57	3.00	120.42	96.63	109.13	141.78	98.15	132.37
Denmark (38)	118.73	−0.8	96.06	104.36	2.82	119.69	96.05	104.54	124.83	98.18	111.94
Finland (23)	120.91	−0.3	97.82	102.69	1.93	121.27	97.32	102.71	...	...	—
France (121)	84.45	−0.5	68.32	76.04	4.15	84.88	68.12	75.69	121.82	72.77	115.60
West Germany (94)	79.74	−0.5	64.52	70.09	2.64	80.17	64.33	69.71	104.93	67.78	84.00
Hong Kong (46)	101.11	+1.4	81.80	101.25	4.24	99.73	80.03	99.87	158.68	73.92	107.28
Ireland (14)	119.89	−0.3	97.00	105.91	4.37	120.27	96.51	105.91	160.22	93.50	127.50
Italy (94)	80.29	+0.7	64.96	75.07	2.57	79.70	63.96	73.81	112.11	62.99	99.66
Japan (457)	164.31	−0.1	132.93	133.57	0.52	164.41	131.94	132.40	164.41	100.00	124.76
Malaysia (36)	120.60	+2.0	97.57	119.37	3.24	118.20	94.85	116.56	193.64	93.76	130.37
Mexico (14)	145.88	+0.8	118.02	363.82	0.98	147.09	118.04	366.20	422.59	90.07	138.03
Netherland (37)	107.79	+0.0	87.20	93.45	4.98	107.82	86.52	92.49	131.41	87.70	109.96
New Zealand (23)	77.35	+2.9	62.58	61.50	5.34	75.16	60.31	59.52	138.99	64.42	92.32
Norway (24)	117.03	+0.3	94.68	101.03	3.01	116.69	93.64	100.38	185.01	95.51	124.91
Singapore (26)	112.94	+1.0	91.37	104.95	2.28	111.84	89.75	103.80	174.28	81.21	116.39
South Africa (61)	136.62	−1.2	110.53	80.72	5.26	138.25	110.94	81.68	198.09	100.00	141.24
Spain (43)	145.77	−0.9	117.93	125.23	3.38	147.15	118.08	124.85	168.81	100.00	111.84
Sweden (32)	118.56	−1.2	95.92	104.91	2.65	120.01	96.31	105.49	136.64	88.50	112.03
Switzerland (53)	85.31	−0.7	69.02	74.10	2.29	85.92	68.95	73.75	111.11	73.65	94.78
United Kingdom (327)	138.65	−0.7	112.17	112.17	4.27	139.62	112.04	112.04	162.87	99.65	128.95
USA (585)	110.51	+0.9	89.41	110.51	3.41	109.51	87.88	109.51	137.42	91.21	121.20
Europe (964)	109.53	−0.5	88.61	93.08	3.75	110.08	88.34	92.69	130.02	92.25	110.93
Pacific Basin (677)	159.81	+0.0	129.30	131.00	0.71	159.75	128.19	129.78	159.81	100.00	123.68
Euro–Pacific (1,641)	139.72	−0.1	113.04	115.90	1.66	139.90	112.27	115.01	143.65	100.00	118.60
North America (711)	111.87	+0.9	89.86	110.48	3.39	110.09	88.34	109.51	137.55	91.68	121.79
Europe Ex. UK (637)	91.46	−0.3	74.00	81.18	3.27	91.77	73.64	80.54	111.97	78.89	99.79
Pacific Ex. Japan (220)	105.64	+2.1	85.47	98.14	4.13	103.47	83.04	96.10	164.03	82.92	110.45
World Ex. US (1,842)	139.05	−0.1	112.50	115.43	1.74	139.22	111.72	114.58	143.38	100.00	119.36
World Ex. UK (2,100)	126.98	+0.3	102.75	113.87	2.08	126.58	101.58	112.88	138.82	100.00	119.23
World Ex. So. Af. (2,946)	127.95	+0.2	103.52	113.93	2.27	127.66	102.44	113.02	139.47	100.00	119.95
World Ex. Japan (1,970)	110.61	+0.4	89.49	105.61	3.56	110.14	88.39	102.85	134.22	92.98	117.86
The World Index (2,427)	128.01	+0.2	103.56	113.70	2.29	127.73	102.50	112.79	139.73	100.00	120.08

Base values: Dec 31, 1986 = 100. Fixed: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local).

Irish market closed for public holiday on March 17.

Latest prices were unavailable for this edition.

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Friday March 18 1988						Thu Mar 17	Wed Mar 16	Tue Mar 15	Year ago (approx)	Highs and Lows Index			
												1987/88		Since Compilation	
	Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act. xi (27%))	Est. P/E Ratio (Net)	xd adj. 1988 to date	Index No.	Index No.	Index No.	Index No.	High	Low	High	Low
1	CAPITAL GOODS (249)	778.88	+1.6	9.43	3.83	13.83	2.89	766.91	766.40	775.49	867.18	1038.07 16/7 /87	618.87 10/11/87	1038.07 16/7 /87	50.71 13/12/74
2	Building Materials (30)	1049.17	+2.3	9.47	3.68	13.25	0.85	1025.83	1030.18	1033.14	1059.34	1381.08 16/7 /87	798.83 4 /12/87	1381.08 16/7 /87	44.27 11/12/74
3	Contracting, Construction (34)	1617.79	+1.6	8.88	3.14	15.88	3.62	1593.09	1587.82	1582.37	1469.52	1951.58 16/7 /87	1115.39 10/11/87	1951.58 16/7 /87	71.48 2 /12/74
4	Electricals (11)	2088.85	+0.9	9.87	4.86	12.82	1.29	2069.97	2066.82	2104.88	2097.44	2733.45 20/7 /87	1661.76 10/11/87	2733.45 20/7 /87	84.71 25/6 /62
5	Electronics (32)	1547.86	+1.2	10.68	3.53	12.22	8.21	1529.01	1530.12	1575.25	1975.94	2236.70 17/7 /87	1375.66 1 /12/87	2236.70 17/7 /87	1229.01 8 /10/85
6	Mechanical Engineering (58)	485.36	+0.9	9.58	4.27	13.16	0.96	399.74	399.28	482.92	484.31	544.57 14/10/87	296.26 10/11/87	544.57 14/10/87	45.43 5 /1 /75
8	Metals and Metal Forming (7)	474.21	+2.3	9.04	3.64	13.34	0.00	463.77	464.45	466.03	460.88	596.67 9 /10/87	348.64 9 /11/87	596.67 9 /10/87	49.65 5 /1 /75
9	Motors (13)	287.80	+1.7	10.99	4.15	18.69	0.71	282.87	282.87	287.31	338.71	411.42 13/10/87	221.69 4 /12/87	411.42 13/10/87	19.91 6 /1 /73
10	Other Industrial Materials (24)	1299.50	+1.7	8.73	4.28	13.71	4.58	1277.35	1269.74	1285.56	1473.18	1736.80 22/9 /87	1053.78 10/11/87	1736.80 22/9 /87	277.55 13/1 /81
21	CONSUMER GROUP (185)	1009.38	+1.0	8.32	3.45	15.31	2.68	1000.06	1077.86	1083.02	1185.81	1406.32 16/7 /87	919.77 9 /11/87	1406.32 16/7 /87	61.41 13/12/74
22	Brewers and Distillers (21)	1093.86	+0.9	10.12	3.68	12.48	4.24	1083.68	1083.76	1075.80	1086.48	1269.35 16/7 /87	877.37 9 /11/87	1269.35 16/7 /87	69.47 13/12/74
25	Food Manufacturing (23)	858.80	+1.5	9.35	3.96	13.68	2.30	846.04	843.14	850.78	883.03	1092.25 16/7 /87	726.65 9 /11/87	1092.25 16/7 /87	59.67 11/12/74
26	Food Retailing (16)	2156.41	+1.8	7.46	2.97	18.62	7.15	2135.71	2123.86	2150.31	2173.36	2649.96 16/7 /87	1848.85 10/11/87	2649.96 16/7 /87	54.25 11/12/74
27	Health and Household Products (10)	1896.48	+0.7	6.41	2.53	18.48	0.45	1882.73	1899.85	1974.28	2379.83	2699.85 16/7 /87	1598.82 10/11/87	2699.85 16/7 /87	175.38 28/5 /80
29	Leisure (31)	1316.60	+1.7	7.58	3.66	17.15	9.18	1288.95	1279.76	1281.98	1243.54	1504.79 13/10/87	943.07 9 /11/87	1504.79 13/10/87	54.83 9 /1 /75
31	Packaging & Paper (16)	518.61	+0.9	8.14	3.61	16.16	0.46	513.89	513.66	517.82	593.68	739.48 16/7 /87	427.56 10/11/87	739.48 16/7 /87	43.46 6 /1 /75
32	Publishing & Printing (16)	3618.41	+1.4	6.31	4.12	19.98	4.21	3568.21	3564.35	3564.74	3614.49	5870.66 5 /10/87	2713.49 2 /1 /87	5870.66 3 /10/87	55.08 6 /1 /75
34	Stores (34)	855.12	+0.6	8.92	3.59	15.84	1.42	850.33	851.64	847.47	1041.39	1160.58 29/7 /87	749.46 3 /12/87	1160.58 29/7 /87	52.63 6 /1 /75
35	Textiles (18)	586.22	+1.8	11.80	4.26	9.73	0.19	575.58	573.62	580.48	696.13	914.52 2 /10/87	515.17 30/11/87	914.52 2 /10/87	62.66 13/12/74
40	OTHER GROUPS (95)	912.74	+1.2	10.99	4.12	11.99	3.64	902.21	897.42	902.53	979.62	1192.48 6 /10/87	759.16 10/11/87	1192.48 6 /10/87	58.63 6 /1 /75
41	Agencies (19)	1219.02	+3.0	6.64	2.16	19.43	4.34	1183.71	1179.25	1179.93	1398.26	1795.57 17/7 /87	878.35 4 /12/87	1795.57 17/7 /87	870.35 4 /12/87
42	Chemicals (20)	1448.86	+0.7	11.43	4.71	10.72	10.88	1440.52	1431.25	1444.77	1222.71	1545.46 3 /10/87	920.61 10/11/87	1545.46 3 /10/87	71.28 1 /12/74
43	Conglomerates (14)	1205.18	+1.5	9.49	4.38	12.27	3.14	1187.14	1189.45	1191.35	1270.18	1547.01 8 /10/87	975.19 10/11/87	1547.01 8 /10/87	975.19 19/11/87
45	Shipping and Transport (12)	1963.56	+0.8	8.65	4.21	13.18	0.80	1947.79	1949.62	1928.59	1949.95	2497.85 16/7 /87	1535.32 9 /11/87	2497.85 16/7 /87	98.89 29/6 /62
47	Telephone Networks (2)	998.54	+2.1	10.78	4.24	12.35	0.80	987.46	976.94	998.68	1004.94	1274.14 9 /6 /87	813.40 7 /12/87	1274.14 9 /6 /87	517.92 30/11/84
48	Miscellaneous (26)	1207.16	+0.6	12.64	3.98	9.41	0.54	1199.85	1194.86	1194.89	1335.77	1773.78 5 /10/87	1039.40 10/11/87	1773.78 5 /10/87	68.39 6 /7 /75
49	INDUSTRIAL GROUP (467)	971.78	+1.2	9.23	3.73	13.65	2.85	960.16	958.51	964.24	1059.73	1268.86 16/7 /87	804.87 10/11/87	1268.86 16/7 /87	59.01 13/12/74
51	Oil & Gas (13)	1866.63	+2.6	9.39	5.58	13.26	36.27	1819.57	1829.49	1835.14	1837.56	2458.68 16/7 /87	1487.60 2 /12/87	2458.68 16/7 /87	87.23 29/5 /62
59	500 SHARE INDEX (500)	1047.40	+1.4	9.25	4.00	13.59	5.63	1032.88	1031.67	1037.90	1125.43	1369.88 16/7 /87	867.65 10/11/87	1369.88 16/7 /87	63.49 13/12/74
61	FINANCIAL GROUP (122)	688.28	+1.1	–	4.74	–	6.74	680.71	680.79	677.85	687.57	896.67 13/10/87	565.33 10/11/87	896.67 13/10/87	55.88 13/12/74
62	Banks (8)	671.19	+1.4	22.61	6.07	5.95	15.42	662.14	666.32	663.18	750.18	898.38 16/7 /87	577.39 4 /11/87	898.38 16/7 /87	62.44 12/12/74
65	Insurance (Life) (8)	1031.34	+1.6	–	4.58	–	0.00	1015.13	1017.47	1000.26	995.28	1285.72 9 /10/87	821.55 9 /11/87	1285.72 9 /10/87	44.88 2 /1 /75
66	Insurance (Composite) (7)	543.38	+0.8	–	5.39	–	5.78	539.15	535.74	534.48	535.42	787.58 13/10/87	448.44 1 /12/87	787.58 13/10/87	43.96 13/12/74
67	Insurance (Brokers) (7)	858.88	+0.9	14.85	7.53	9.87	16.28	850.71	851.80	848.58	1168.89	1399.56 17/7 /87	789.92 9 /11/87	1399.56 17/7 /87	65.86 16/12/74
68	Merchant Banks (11)	360.29	+0.4	–	5.96	–	0.82	358.92	360.50	361.64	374.87	547.39 12/10/87	306.65 10/12/87	547.39 12/10/87	31.21 7 /1 /75
69	Property (51)	1132.29	+1.0	4.83	2.74	26.46	1.23	1121.51	1114.63	1104.85	911.68	1374.86 16/7 /87	805.82 5 /1 /87	1374.86 16/7 /87	56.81 20/4 /65
70	Other Financial (30)	400.43	+0.9	9.58	4.26	13.19	1.90	397.13	397.35	399.65	457.06	603.48 16/7 /87	339.79 1 /12/87	603.48 16/7 /87	33.29 17/12/74
71	Investment Trusts (82)	891.36	+1.4	–	2.93	–	3.71	878.87	875.63	878.15	983.02	1287.90 5 /10/87	726.15 10/11/87	1287.90 5 /10/87	71.12 13/12/74
81	Mining Finance (2)	472.43	+4.8	9.62	3.64	11.71	2.81	450.65	442.54	446.98	383.32	727.93 3 /8 /87	336.91 10/11/87	727.93 3 /8 /87	64.31 30/9 /74
91	Overseas Traders (8)	1030.02	+0.4	9.95	5.25	11.91	14.64	1026.16	1019.99	1029.96	895.92	1364.12 13/10/87	778.26 2 /1 /87	1364.12 13/10/87	97.37 6 /1 /75
99	ALL-SHARE INDEX (710)	951.46	+1.4	–	4.88	–	5.78	938.36	937.12	941.25	1006.69	1258.57 16/7 /87	784.81 10/11/87	1258.57 16/7 /87	61.92 13/12/74
		Index No.	Day's Change	Day's High	Day's Low	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Year ago				
	FT-SE 1M SHARE INDEX ♦	1855.5	+27.4	1855.7	1842.9	1828.1	1825.7	1839.9	1819.5	1811.6	2017.5	2413.4 16/7 /87	1545.2 9 /11/87	2413.4 16/7 /87	986.9 23/7 /84

FIXED INTEREST

	PRICE INDICES	Fri Mar 18	Day's change %	Thu Mar 17	xd adj. today	xd adj. 1988 to date
	British Government					
1	3 years	123.77	+0.20	123.53	–	2.37
2	5-15 years	141.99	+0.02	141.97	–	2.39
3	Over 15 years	150.34	−0.34	150.85	–	3.73
4	Irredeemables	168.28	−0.38	168.92	–	1.54
5	All stocks	138.38	+0.02	138.36	–	2.56
	Index-Linked					
6	5 years	124.29	+0.10	124.17	–	0.51
7	Over 5 years	117.47	+0.09	117.36	–	0.88
8	All stocks	117.87	+0.09	117.76	–	0.85
9	Debentures & Loans	120.02	−0.21	120.27	–	1.63
10	Preference	89.84	+0.16	88.89	–	0.73

	AVERAGE GROSS REDEMPTION YIELDS		Fri Mar 18	Thu Mar 17	Year ago (approx.)	1987/88 High	1987/88 Low
	British Government						
1	Low Coupons	5 years	8.64	8.68	7.97	9.92 19/10/87	7.52 11/5 /87
2		15 years	9.08	9.05	8.64	10.27 19/10/87	8.53 8 /5 /87
3		25 years	8.96	8.92	8.64	10.08 2 /1 /87	8.55 8 /5 /87
4	Medium Coupons	5 years	9.13	9.17	8.62	10.80 2 /1 /87	8.39 8 /5 /87
5		15 years	9.27	9.23	8.83	10.51 19/10/87	8.74 8 /5 /87
6		25 years	9.13	9.07	8.84	10.24 19/10/87	8.75 8 /5 /87
7	High Coupons	5 years	9.23	9.27	8.78	10.84 2 /1 /87	8.58 8 /5 /87
8		15 years	9.41	9.30	8.97	10.67 19/10/87	8.86 8 /3 /87
9		25 years	9.17	9.12	8.82	10.31 19/10/87	8.72 8 /5 /87
10	Irredeemables		8.94	8.97	8.71	10.30 19/10/87	8.41 9 /11/87
	Index-Linked						
11	Inflation rate 5%	5yrs.	2.64	2.65	2.42	4.03 19/10/87	2.03 20/5 /87
12	Inflation rate 5%	Over 3 yrs.	3.83	3.84	3.32	4.63 19/10/87	3.30 6 /4 /87
13	Inflation rate 10%	3 yrs.	1.74	1.74	0.87	4.14 19/10/87	0.85 24/3 /87
14	Inflation rate 10%	Over 3 yrs.	3.68	3.68	3.18	4.65 19/10/87	3.17 27/3 /87
15	Debs & Loans	5 years	10.77	10.76	9.53	11.86 20/10/87	9.46 12/6 /87
16		15 years	10.64	10.61	9.87	11.67 20/10/87	9.79 23/3 /87
17		25 years	10.64	10.61	9.92	11.49 20/10/87	9.84 23/3 /87
18	Preference		10.45	10.46	10.73	11.83 2 /1 /87	10.05 22/6 /87

♦Opening index 1844.4; 10 am 1847.9; 11 am 1849.4; Noon 1852.2; 1 pm 1852.0; 2 pm 1852.4; 3 pm 1852.3; 3.30 pm 1851.4; 4 pm 1854.4

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Agencies	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Conglomerates	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/4/62	100.00
Telephone Networks	30/11/84	517.92	Industrial Group	31/12/70	128.20	British Government	31/12/75	100.00
Electronics	30/12/83	1646.65	Other Financial	31/12/70	128.06	Do. Index-linked	30/4/82	100.00
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13	Debs & Loans	31/12/77	100.00
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/12/77	76.72
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Stock	Volume 000's	Stock	Volume 000's
ASDA-MFI	1,900	Enterprise Oil	895	Prudential	812
Allied-Lyons	1,700	Fisons	1,500	Racal	5,600
Amstrad	2,800	General Accident	459	Rank Org.	743
Argyll Group	3,200	General Elect.	6,100	RMC	188
Assoc. Brit. Foods	769	Glaxo	2,200	RHM	217
BAA	7,200	Globe Investment	226	Reckitt & Colman	266
BAT	3,900	Granada	2,200	Redland	1,600
BET	2,100	Grand Met.	2,000	Reed Intl.	2,700
BICC	350	GUS "A"	332	Reuters "B"	846
BOC	1,900	Guardian R.E.	76	RTZ	3,700
BPB Inds	725	GKN	1,400	Rolls-Royce	10,300
BTR	8,900	Guinness	2,500	Rothmans "B"	476
Barclays	1,700	Hamersley	31	Rowntree	2,500
Bass	1,500	Hanson	11,000	Ryl Bank Scotland	587
Beecham	1,300	Hawker Siddeley	370	Royal Insurance	1,600
Blue Arrow	5,100	Hillsdown Holdings	3,700	STC	976
Blue Circle	790	IMI	1,700	Sainsbury	1,500
Boots	789	ICI	1,900	Scott & Newcastle	2,400
Brit. Airways	4,300	Jaguar	3,100	Sears	2,300
Brit. Aerospace	788	Ladbroke	3,000	Sedgwick	4,500
Brit. & Comm.	606	Land Securities	524	Shell Transport	725
British Gas	4,800	Laporte	303	Smith & Nephew	1,600
BP	15,000	Legal & General	2,700	Standard Chart.	2,100
Brit. Telecom	3,300	Lloyds Bank	4,000	Storehouse	336
Bunzl	668	LASMO	1,100	Sun Alliance	864
Burmah Oil	1,100	Lonrho	2,400	T & N	358
Burton	3,500	Lucas	1,600	TSB	1,700
Cable & Wireless	3,400	MEPC	409	Tarmac	2,600
Cadbury Schweppes	2,200	Marks & Spencer	3,400	Tesco	2,000
Coats Viyella	1,900	Maxwell Comm.	482	THORN EMI	3,700
Commercial Union	2,800	Metal Box	2,500	Trafalgar House	2,800
Cons. Gold	1,400	Midland Bank	1,300	Trusthouse Forte	4,100
Cookson	193	NatWest Bank	1,500	Ultramar	3,700
Courtaulds	1,700	Next	1,900	Unilever	3,400
Dalgety	1,200	Northern Foods	865	United Biscuits	860
Dee Corporation	2,600	Pearson	1,600	Wellcome	1,100
Dixons Group	1,600	Pearl Group	285	Whitbread "A"	1,400
English China Clays	622	P & O	5,300	Woolworth	275
		Pilkington	1,400		1,500
		Plessey	5,900		

ECONOMIC DIARY

TODAY: Preliminary meetings of the governors of the Inter-American Development Bank in Caracas (until March 20). Mr Francois Mitterrand, French President, visits Madrid.

TOMORROW: El Salvador local elections.

MONDAY: Manufacturers' and distributors' stocks (fourth quarter revised). European Community environment council meets in Brussels. First meeting of Franco-German economic commission finance ministers in Bonn. Annual assembly of Inter-American Development Bank in Caracas (until March 23). Sandinista-Contras peace talks due to start (until March 29). US budget statement (February). Kenya parliamentary elections.

TUESDAY: Cyclical indicators for the UK economy (February). European Community general affairs and internal market councils meet in Brussels. Mr Eduard Shevardnadze, Soviet Foreign Minister, visits Washington for talks on Moscow summit (until March 23). Conservative "high-flyers" conference for women at Park Lane Hotel, London. Renault board meeting in Paris. P. & O. and Burton Group publish annual results.

WEDNESDAY: New construction orders (January-provisional). European Community economic and social committee meets in Brussels (until March 24). TUC general council meets. Labour Party national executive committee meeting. BAT Industries and Woolworth Holdings results. Bell Resources shareholders meet in Perth to approve Bell merger.

THURSDAY: Personal income and expenditure (fourth quarter). Industrial and commercial companies (fourth quarter). Financial Times conference "Technology in the international securities market" at the Hotel Inter-Continental, London W1. British Rail campaign launch. Rolls-Royce and Smith & Nephew publish preliminary figures. Symposium on French economy in Paris.

FRIDAY: Balance of payments current account and overseas trade figures (February). Tax and price index (February). Retail prices index (February). National People's congress begins in Beijing. Secondary Heads Association conference in Reading (until March 27).

Pillsbury posts big loss, puts pizza chain on block

BY ANATOLE KALETSKY IN NEW YORK

PILLSBURY, the large US food group which has been at the centre of intensifying takeover speculation since a boardroom reshuffle three weeks ago, is to sell one of its main restaurant chains, Godfather's Pizza, which it bought only three years ago for about $400m.

The company stressed, however, that it had no intention of selling Burger King, its main restaurant holding. "Burger King is not for sale. It is healthy, profitable and central to our strategy," said Mr William Spoor, the company's tough new chairman.

Mr Spoor, who ran Pillsbury from 1973 to 1985, was brought out of retirement last month to take back control of the business, which had begun to flounder under his protegé and hand-picked successor, Mr John Stafford.

The company said that the sale of Godfather's, along with other previously announced restructurings, would generate net charges of $141m in Pillsbury's third fiscal quarter, which ended February 28.

These restructuring costs are roughly $50m higher than the $91m estimated by the company a few months ago. They have led to a net loss of $107.8m or $1.25 a share in the third quarter, compared with a profit of $48.5m or 56 cents the year before.

In the stockmarket, where Pillsbury's shares had soared by $7 or almost 20 per cent, on Wednesday and Thursday, as a result of rumours abont a big restructuring or possible takeover, there seemed to be disappointment about the Godfather's sale.

The shares fell by $1⅞ to $43½ in active trading yesterday morning. Mr Spoor vowed in the company's statement that he would fight off any takeover. "I am committed to keeping Pillsbury an independent company," he said.

While some arbitrageurs remained sceptical about his ability to do so, at least without selling off more assets, including possibly the Burger King chain, there was another reason for takeover speculation subsiding.

Yesterday's announcement that Nestlé of Switzerland was buing Italy's Buitoni food group was seen as taking the strongest contender for Pillsbury out of the takeover stakes, at least for the time being.

HongKong Land boosts profits

BY DAVID DODWELL IN HONG KONG

HONGKONG LAND, the property group which in recent months has been the subject of takeover speculation, boosted net profits by a fifth last year to HK$1.1bn (US$141m) from HK$920m in 1986.

The improvement was achieved despite a severe pruning of group operations during the past two years, with the demerger of the Dairy Farm retailing group and the Mandarin Oriental hotels side.

A windfall profit of HK$302m from the sale of the Tregunter residential property helped boost the after-tax figure, but gains of HK$2.14bn from the sale of the bulk of the group's land bank, and of Harcourt House and Windsor House, were treated as an extraordinary item.

Income from these property sales, along with the proceeds from the sale of Dairy Farm and Mandarin Oriental, were used to trim group borrowings, which fell over the year from HK$6.2bn to HK$1.5bn. Just three years ago, the group was on the verge of bankruptcy, encumbered by debts reaching HK$16bn.

A final dividend of 22.01 cents lifts the total to 34.01 cents. This is significant because it will trigger the conversion of preferred shares into ordinary shares.

The group has been concerned that the price of preferred shares has lagged behind that of ordinary shares, mainly because of a lack of liquidity. Conversion "will prove beneficial to all shareholders," Mr Simon Keswick, the chairman, said yesterday.

Revaluation of the group's property portfolio generated a net surplus of HK$4.2bn, boosting shareholders' funds to HK$29.8bn. As a result, gearing fell to 6.4 per cent – a level that would have been unimaginable in the crisis years following the 1983 property market collapse.

Mr Keswick said the group's property portfolio was 96 per cent leased. The third tower of its flagship Exchange Square development is almost 60 per cent committed, Mr Keswick said, even though the occupation permit for the building was obtained only this month.

Our Financial Staff adds: Three smaller but closely followed Hong Kong property companies also reported strong earnings progress, for their first-half periods to December.

Hang Lung Development was up 29.6 per cent after tax to HK$322.8m. Amoy Properties, its 51 per cent investment property subsidiary, soared to HK$247.3m from HK$85.7m - largely as a result of a restructuring in which it bought assets from its parent. Henderson Land Development improved net profits 54.5 per cent to HK$326m.

Saint-Gobain bids for Belgian minority

SAINT-GOBAIN, the French glass and packaging group, has launched a paper bid for the 31.2 per cent minority stake it does not own in its Belgian subsidiary Glaceries de Saint-Roch, writes Paul Betts in Paris.

The French group, which owns 68.8 per cent of the Belgian glass company, is offering three Saint-Gobain shares for each Saint-Roch share it does not already own. This represents a premium of about 20 per cent for Saint-Roch shareholders. Saint-Gobain intends to issue 1.8m new shares to complete the operation.

The bid for full control of the Belgian subsidiary also coincides with the listing of Saint Gobain shares on the Belgian stock market. The subsidiary reported net profits of BFr1.26bn ($36m) on sales of BFr12.1bn last year.

Whirlpool files lawsuit against GE

By Our New York Staff

WHIRLPOOL, the second-biggest US appliance manufacturer, has filed what it described as a "Texaco-type lawsuit" against General Electric, charging the giant US manufacturing and services conglomerate with unlawful interference in a $350m merger agreement it had made with Roper, another big appliance maker.

Whirlpool also raised its bid for Roper from $37½ to $50 a share, topping GE's $45 a share offer, and winning a new recommendation from the Roper board. However Roper's shares soared by $5⅛ to $52⅝ on the Whirlpool announcements, suggesting market expectations that GE will push the auction price still higher.

Takeover lawyers and arbitrageurs did seem to think that GE would be deterred by the Whirlpool lawsuit, believed to be the first major action based on the precedent set by Pennzoil's $10bn case against Texaco. This ended up by pushing the once-mighty oil company into bankruptcy.

However, Whirlpool believed that the legal argument would work to its advantage in part because of the anti-trust considerations in the Roper bid. The company charged that GE's interference in the earlier Roper-Whirlpool merger agreement had not been an ordinary business action but had been "deliberately and tortiously carried to block competition in the low end of the major home appliance market."

GE is the biggest US manufacturer of home appliances.

Buy-out at Fairfax US

A MANAGEMENT buy-out is being sought at Fairfax Publications (US), the Australian-owned publisher of Ms Magazine and the newly launched Sassy for teenagers, Our Financial Staff writes.

John Fairfax of Sydney, which bought the 484,000 circulation Ms last year from its feminist founders, is selling titles to reduce debt.

The hunt is on in the bid for Bell Resources. Chris Sherwell reports

Rivals gang up on 'Dear Rob'

INHABITANTS of Australia's corporate jungle were visibly salivating yesterday after Sir Ron Brierley joined forces with Mr Kerry Packer in an attack on Mr Robert Holmes à Court's Bell stable of companies.

Here, once again, was a good old chase to remind them of the bull market which prevailed before last October's share price collapse. Trading volumes on the stock market duly soared, and the benchmark All-Ordinaries Index shot up 32.4, through the 1,400 barrier to hit 1,414.7, the highest since October 26.

Here, too, was an astonishing play involving the most skilled and audacious of the antipodean entrepreneurs, men whose reputation has been made as much abroad as at home. The Brierley-Packer combine was surprise enough. To try to block a restructuring of Mr Holmes à Court's empire by bidding A$825m (US$605.9m) for Bell Resources seemed breathtaking.

Mr Holmes à Court himself was stuck at the moment of assault in London, promoting his own controversial restructuring plan – a cash-and-share takeover of Bell Group by Bell Resources which would give him a much-needed cash injection and a large stake in the final structure.

Suddenly, it seemed, the Great Acquirer was being thrust a dose of his own famous medicine. "It's the hunter hunted," squawked one analyst at the delicious irony of it all. "The biter bit," chirped another.

As another 7m Bell Resources shares changed hands yesterday, taking the price up 17 cents to stand 2 cents above the Brierley-Packer offer price of A$1.50, the two predators had already made a profit on their earlier purchases. So attention duly turned to more fundamental matters of what it was all really about.

Typically, however, the more reflective questions were not directed at outcomes. As in all such classics of the Australasian takeover scene, it was futile to contemplate such matters. The emphasis could only be on the possibilities for making money.

"There are a lot of subtleties in this situation," Sir Ron cautioned a local journalist yesterday. "Nobody will appreciate them or relate to them more than Mr Holmes à Court himself."

Bell said in Perth there would be no response yet to Sir Ron's "Dear Rob" letter delivered on Thursday. The only announcement concerned Broken Hill Proprietary, Australia's largest company: BHP would not be allowed to vote its 5 per cent of Bell Resources at next Wednesday's shareholders meeting because it was in effect an associate.

With Mr Holmes à Court unable to vote the 45 per cent of Bell Resources he controls, the decision further enhances the Brierley-Packer firepower. Mr Holmes à Court now has to decide whether to proceed or to formulate alternatives.

For Sir Ron and Mr Packer, things were always more simple and unsentimental. Will the share price go up? If not, will someone buy us out? If the target comes our way, can we extract value? If the answer is yes in all three instances, move in quick.

It is highly developed opportunism by supreme analysts. In Australia any moment of weakness can provoke instant attack. As a banker said yesterday, "They don't even mind getting a bloody nose if, notwithstanding that, they get some money."


Robert Holmes à Court: tasting his own medicine

Storebrand dives into the red

BY KAREN FOSSLI IN OSLO

STOREBRAND, Norway's largest insurance and financing group, yesterday announced a big loss for 1987, cut its dividend and dropped plans for a one-for-five rights issue.

At the net level before extraordinary items, the company has run up a loss of NKr6.7m, ($1.06m) its first ever deficit. The loss compares with a net profit for 1986 of NKr227.9m and has forced Storebrand to cut the dividend to NKr2 a share from NKr11.

The setback was due to securities problems and a weak performance by the group insurance arm. The storms which hit Europe last October cost the company about NKr47m while the stock markets' crash in the same month had led to a write-down of Storebrand's share portfolio.

Storebrand Forsikring, the insurance subsidiary, suffered a deficit of NKr52m compared with profits of NKr48m in the previous year.

Storebrand International, which operates through branches in New York and London, boosted profits to NKr223m from NKr172.5m, Mr Langangen said.

Porsche optimistic despite sales fall

BY OUR FINANCIAL STAFF

PORSCHE, THE West German maker of fast, luxury cars, said yesterday that net earnings for the first half of this year remained positive despite a 14.5 per cent setback in world sales.

Turnover for the six months to January, 1988 tumbled from DM1.71bn ($1.01bn) to DM1.45bn following a decline of more than a fifth in the number of cars sold. Exports accounted for 85.3 per cent of total sales, down from 87.1 per cent in the first half of 1986-87.

Porsche sales in the US suffered the most, plunging 24.5 per cent to 12,027 cars from 15,938. The company explained that the weakness of the dollar combined with the effect of last October's stock market crash continued to depress sales in North America.

Falling sales prompted the company to cut its 1987-88 dividend and scale back capital investment and production programes. The setback led to top management changes.

Porsche said the restructuring and cost-cutting policy was expected to help it achieve "acceptable results" in this year.

NZI launches two insurance takeover bids

By Our Financial Staff

NZI, the New Zealand financial services group which is about a third owned by Brierley Investments, is seeking to expand its core insurance business through takeover bids on either side of the Tasman.

It has offered to purchase National Insurance Company of New Zealand for NZ$178.5m (US$119.2m) and CIC Holdings of Australia for A$135.1m (US$99.2m).

National Insurance, for which NZI is offering NZ$5.25 a share, is 90.8 per cent owned by National Pacific Corporation, which declined immediately to accept the bid.

CIC is 29 per cent owned by National Insurance while NZI, which is offering A$3.25 per share, already has 9.9 per cent. Inter-Pacific Equity holds a 30 per cent stake in CIC.

Ten days ago NZI agreed to pay £39m (US$71.5m) for Arbuthnot Latham Bank of London.

WORLD COMMODITIES PRICES

Week in the Markets

Aluminium and nickel prices on the London Metal Exchange were driven to record levels this week by the continuing combination of high demand and low stocks.

Nickel, always prone to volatility because it is by far the smallest of the base metal markets, is now showing what can happen in extreme circumstances.

A misunderstanding which led the market to believe the dispute between Falconbridge, the Canadian mining group, and the government of the Dominican Republic was over saw the three-month nickel price plummet to $4.50 a lb in early dealings on Monday from the record $5.31 the previous Friday.

But it soon became clear that the argument about export duties is to continue for some time and Falconbridge had been permitted only to make one more shipment of ferronickel from the Republic. So the LME price bounced back strongly.

Analysts point out that this week's reaction clearly shows what to expect when Falconbridge Dominicana finally is given clearance to ship out the nickel it has been stockpiling.

Meanwhile, the three-month price soared to a record $5.65 a lb yesterday following confirmation of another dispute – this time at Western Mining, Australia's biggest nickel producer, where 600 miners are on strike. Nickel for immediately delivery closed at $8.99 a lb.

The management expects the dispute to end early next week and in the meantime Western is producing nickel as usual from stockpiled ore.

Analysts suggest that the price will stay at a relatively high level until well into the last quarter of 1988.

Aluminium last week shrugged off unexpected news that International Primary Aluminium Institute non-Socialist world producers' stocks had risen by 130,000 tonnes from their year-end level. It transpired early this week that the IPAI figures were distorted by shipment delays from Australia. A better indication of the state of the market came with the news that LME stocks had dropped to half their end-1987 level — a meagre 42,025 tonnes.

So aluminium prices rose strongly as the week progressed, hitting record highs on Thursday in dollar terms. Yesterday the market continued the strong advance, with 99.7 three-month metal rising $160 a tonne to $2,370 and 99.5 adding £99.50 to £1,288 a tonne.

Also enjoying record highs is the Baltic International Futures Market (Biffex) dry cargo freight futures contract. The Baltic Freight Index on which the contract is based was set at a record 1,630 points yesterday, compared with 1,583.6 on Monday, and the second position contract closed at 1,601 points, up from Monday's 1,539 points.

Underlying the steady rise since the beginning of this year has been a sharp increase in grain movements following bad harvests in the Northern hemisphere, a better balance in the supply and demand of ships, and the weakness of the dollar. Worries about the crisis in Panama and its possible effect on the canal have added to the upward impetus.

A temporary shut-off of pipeline operations across the Panama Canal sent oil prices up on Thursday, partially counteracting reports of Saudi discounting to Japanese buyers. Prices see-sawed during the week on conflicting rumours about possible action by Opec, although in the event they ended the week on a slightly firmer note.

Meanwhile, cocoa prices have continued to decline in the wake of the failure of the International Cocoa Organisation (ICCO) last weekend to agree on fresh support measures. After a fortnight of crisis talks which failed to get to grips with the real issues - price levels to be defended and huge arrears of levies - all support measures have been effectively frozen, probably until the ICCO Council meets again in September.

The bearish fundamentals overhanging the market took prices for the second position futures contract down as far as £912 a tonne on Tuesday. Yesterday the price closed at £923 a tonne, a fall of £31 on the week.

Kenneth Gooding and David Blackwell

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	High 1987/88	Low 1987/88
Gold per troy oz.	$443	+2	$404.50	$499.50	$390.25
Silver per troy oz	346.25p	+4.35	347.40p	653.60p	341.45p
Aluminium 99.7% (cash)	$2645	+295	-*	$2645	$1595
Copper Grade A (cash)	£1290	-16	£922.50	£1707.50	£870.25
Lead(cash)	£350.5	-9.5	£305.50	£445.00	£286.75
Nickel (cash)	$15400	+1850	£2340.50	$15400.0	$3424.5
Zinc (cash)	£542.50	+23	£454.50	£567.00	£441.50
Tin (cash)	£3785	+42.5	£4290.00	£4625	£3735
Cocoa Futures (May)	£923	-31	£1296.50	£1439.5	£923.0
Coffee Futures (May)	£1139	-25	£1283.00	£1655.5	£1139.0
Sugar (LDP Raw)	$229.8	-3.6	$192.00	$265.40	$139.50
Barley Futures (May)	£103.40	-1.35	£113.85	£118.55	£95.30
Wheat Futures (May)	£103.90	-1.9	£118.65	£125.50	£98.75
Cotton Outlook A Index	66.65c	+0.65	62.75c	87.80c	62.65c
Wool (64s Super)	570p		440p	580p	418p
Rubber (Spot)	62.5p	+1.0	60.75p	71.50c	59.50c
Oil (Brent Blend)	$14.92y		$18.10	$20.725	$13.975

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents/lb. y-Apr. *Aluminium 99.7% only quoted since July.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$13.20-3.35w	+0.170
Brent Blend	$14.87-4.97y	+0.435
W.T.I.(1 pm est)	$16.45-6.50y	+0.44
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$163-166	
Gas Oil (Soviet)	$132-134	+4½
Heavy Fuel Oil	$64-66	+1
Naphtha	$138-140	+3
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$443	-¼
Silver (per troy oz)♣	630c	+1
Platinum (per troy oz)	$497.25	-2.25
Palladium (per troy oz)	$121.25	-0.75
Aluminium (free market)	$2850	+165
Copper (US Producer)	110⅝-12c	+1
Lead (US Producer)	35.5c	
Nickel (free market)	670c	+80
Tin (European free market)	£3785	+30
Tin (Kuala Lumpur market)	17.41r	
Tin (New York)	321.5c	
Zinc (Euro. Prod. Price)	$920	
Zinc (US Prime Western)	48⅝c	
Cattle (live weight)†	108.59p	-0.22*
Sheep (dead weight)†	187.72p	+0.25*
Pigs (live weight)†	70.47p	+0.66*
London daily sugar (raw)	$229.8s	+3.8
London daily sugar (white)	$238.0s	+2.4
Tate and Lyle export price	£232.5	+3.0
Barley (English feed)	£105.5y	-1.0
Maize (US No. 3 yellow)	£135.5x	
Wheat (US Dark Northern)	£93.25s	+2.5
Rubber (spot)♥	62.50p	+0.25
Rubber (Apr) ♥	66.50p	+0.25
Rubber (May) ♥	66.50p	+0.25
Rubber (KL RSS No 1 Mar)	286.5my	
Coconut oil (Philippines)§	$450.0s	
Palm Oil (Malaysian)§	$370.0u	
Copra (Philippines)§	$350.0s	
Soyabeans (US)	£153.0	
Cotton "A" Index	66.65c	-0.10
Wooltops (64s Super)	570p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. w-May. u-Apr/Sep. x-Apr/Jun. y-Apr. t-May/Jun. s-Apr/May †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian/Singapore cents/kg

COCOA £/tonne

	Close	Previous	High/Low	
Mar	900	903	905	898
May	923	924	929	920
Jly	946	942	948	941
Sep	966	959	968	960
Dec	991	983	990	982
Mar	1017	1008	1011	1000
May	1035	1025	1030	1026

Turnover: 2810 (1781) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for March 17 : 1196.57 (1195.82) .10 day average for March 18 : 1235.90 (1240.86).

COFFEE £/tonne

	Close	Previous	High/Low	
Mar	1108	1106	1118	1096
May	1139	1140	1152	1126
Jly	1164	1166	1176	1161
Sep	1188	1195	1202	1176
Nov	1208	1220	1222	1204
Jan	1228	1260	1240	1234
Mar	1255	1290	1250	1250

Turnover: 3860 (5098) lots of 5 tonnes
ICO indicator prices (US cents per pound) for March 17: Comp. daily 1979 116.36 (118.38); 15 day average 118.67 (119.27).

SUGAR $ per tonne

Raw	Close	Previous	High/Low	
May	194.80	195.00	196.60	192.80
Aug	193.40	194.80	196.00	192.80
Oct	194.00	196.00	195.60	193.20
Dec	193.00	193.80		191.60
White	**Close**	**Previous**	**High/Low**	
May	233.50	235.00	236.00	232.80
Aug	234.20	235.80	237.80	234.00
Oct	234.00	235.80	236.50	235.00
Dec	234.00	235.50	235.00	234.50
Mar	235.00	237.00	238.50	234.50
May	237.00	237.50		
Aug	242.00	244.00		

Turnover: Raw 3777 (5728)lots of 50 tonnes; White 1154 (1012).
Paris- White (FFr per tonne): May 1343, Aug 1351, Oct 1349, Dec 1350, Mar 1375, May 1380

GAS OIL $/tonne

	Close	Previous	High/Low	
Apr	129.50	125.25	129.50	126.50
May	127.25	123.75	127.50	125.25
Jun	128.75	125.75	128.75	126.75
Jul	128.75	126.00	129.00	127.50
Aug	132.00	128.00	130.00	129.50

Turnover: 6608 (4671) lots of 100 tonnes

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 0 tonne
Cash	2636-55	2490-500		2640-60		
3 months	2360-80	2270-90		2365-85	2330-50	3,555 lots
Aluminium, 99.5% purity (£ per tonne)						Ring turnover 11,450 tonne
Cash	1440-5	1351-2	1450/1445	1445-50		
3 months	1282-5	1239-40	1285/1260	1285-90	1277-8	43,857 lots
Copper, Grade A (£ per tonne)						Ring turnover 25,325 tonne
Cash	1289-91	1273-5	1295/1292	1291-2		
3 months	1217-7.5	1203-4	1227/1210	1219-20	1214-5	88,475 lots
Copper, Standard (£ per tonne)						Ring turnover 0 tonne
Cash	1240-60	1225-35		1242-60		
3 months	1190-200	1170-80		1190-200		27 lots
Silver (US cents/fine ounce)						Ring turnover 0 ozs
Cash	628.5-9.5	622-5		627-9		
3 months	638.5-9.5	633-6		637-40	640-5	962 lots
Lead (£ per tonne)						Ring turnover 6,400 tonne
Cash	350-1	352-3	353	352-5		
3 months	332-3	332.5-3	335/331	334.5-35	331-2	10,032 lots
Nickel ($ per tonne)						Ring turnover 1,776 tonne
Cash	15300-600	15500-14000	15300/15000	15250-30		
3 months	12200-250	11800-850	12250/11795	11950-2000	12125-200	6,327 lots
Zinc (£ per tonne)						Ring turnover 7,250 tonne
Cash	542-5	530-2	541/539	541-2		
3 months	541-1.0	530.5-31	542½/539	540.5-1.5	542-2.5	14,170 lots

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	July	May	July
2200	286	186	35	
2300	214	140	60	
2400	153	103	99	
Aluminium (99.5%)	**Calls**		**Puts**	
2200	273	184	38	155
2300	203	140	68	209
2400	148		110	
Copper (Grade A)	**Calls**		**Puts**	
2100	223	212	68	152
2200	164	167	108	204
2300	117	129	160	264

GRAINS £/tonne

Wheat	Close	Previous	High/Low	
Mar	102.35	102.25	102.35	102.00
May	103.90	104.00	103.95	103.75
Jly	105.90	106.25	106.10	105.80
Sep	100.95	100.90	100.95	100.90
Nov	102.75	102.75	102.65	102.75
Jan	105.05	105.00	105.10	105.05
Mar	107.80	107.80	107.80	
Barley	**Close**	**Previous**	**High/Low**	
Mar	102.10	101.80	102.10	102.00
May	103.40	103.40	103.40	103.00
Sep	97.85	97.70	97.85	
Nov	100.45	100.30	100.45	
Jan	102.75	102.60	102.75	
Mar	104.75	104.60	104.75	

Turnover: Wheat 145 (221) , Barley 47 (20) lots of 100 tonnes.

POTATOES £/tonne

	Close	Previous	High/Low	
Apr	144.4	144.5	145.0	143.8
May	153.0	152.0	153.5	151.5
Nov	94.5	94.9	95.0	
Feb	101.0	101.0		
Apr	140.7	140.0	140.6	140.0

Turnover: 235 (390) lots of 100 tonnes.

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	442¼-443¼	243¼-243¾
Opening	444¼-444¾	241½-242
Morning fix	442.80	242.232
Afternoon fix	442.85	242.791
Day's high	444¼-444¾	
Day's low	442-442½	
Coins	**$ price**	**£ equivalent**
US Eagle	455-460	250-253
Mapleleaf	455-460	250-253
Britannia	455-460	250-253
Krugerrand	443-445	242¾-244¾
1/2 Krug	232-241	127-132
1/4 Krug	115-123	63-67½
Angel	455-461	249¾-252½
1/10 Angel	45½-50½	25-27¾
New Sov.	104¼-105¼	57-58
Old Sov.	104¾-105¾	57¼-58¼
Noble Plat	510⅞-516⅞	279-280¼

Silver fix	p/fine oz	US cts equiv
Spot	346.45	631.90
3 months	354.30	643.20
6 months	362.25	654.85
12 months	377.90	678.00

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low	
Apr	128.00	125.00	127.50	
Jun	124.50	121.50	124.00	123.00
Aug	123.50	120.70	123.00	
Oct	124.50	122.00	124.00	122.00
Dec	126.50	125.20		

Turnover: 236 (68) lots of 100 tonnes.

FREIGHT FUTURES $10/Index point

	Close	Previous	High/Low	
Apr	1740.0	1712.0	1757.0	1725.0
Jly	1601.0	1579.0	1625.0	1600.0
Oct	1617.0	1598.0	1640.0	1617.0
Jan	1612.0	1594.0	1630.0	1612.0
BFI	1630.0	1616.5		

Turnover: 839 (774)

US MARKETS

Precious metals opened lower on follow-through selling from yesterday's decline, and then traded narrowly before a rally in crude oil, coupled with a weakening U.S. Dollar prompted trade buying, local short-covering, which touched off commission house stops, to push values higher towards the close, reports Drexel Burnham Lambert. Copper moved to the lower end of the recent trading range in the absence of any significant demand. The energy markets were rife with rumour, on balance causing the futures markets to rally as trade buying forced short-covering and touching off stops as the markets penetrated near-term resistance levels. Sugar was erratic, but settled around yesterday's closing levels, coffee rallied on short-covering, trade and roaster buying as the market corrected an oversold condition. Cocoa continued to consolidate, lifting from the lows on position-squaring. The meats were quiet, cattle was held to a narrow range in anticipation of today's cattle-on-feed report, which is expected to be constructive. Bellies and hogs were firmer in response to cash prices, but the advance was held by the wide premium of futures over the cash market.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Mar	444.3	444.0	0	0
Apr	445.2	444.9	446.2	443.4
Jun	448.4	449.1	450.7	447.5
Aug	453.0	453.3	454.8	451.5
Oct	456.3	458.0	459.0	455.8
Dec	463.1	462.8	463.0	461.0
Feb	466.1	467.5	0	0
Apr	473.4	473.1	0	0
Jun	476.7	478.4	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Mar	495.8	497.1	0	0
Apr	497.3	498.8	500.0	495.0
Jul	501.8	503.1	504.5	499.1
Oct	506.8	508.1	509.0	506.6
Jan	512.3	513.5	514.0	514.0
Apr	518.0	519.2	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Mar	636.5	630.5	640.0	635.0
Apr	638.7	632.7	0	0
May	642.0	636.9	646.5	634.0
Jul	650.0	643.9	655.5	642.5
Sep	657.5	651.4	660.0	651.5
Dec	670.0	663.9	675.0	663.9
Jan	673.8	667.7	0	0
Mar	682.7	676.6	687.0	678.0
May	691.5	685.4	0	0
Jul	701.0	694.9	0	0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	104.00	103.30	105.00	102.50
Apr	101.50	101.25	0	0
May	96.50	96.55	97.40	95.60
Jul	92.80	92.70	93.60	91.50
Sep	90.00	89.70	91.00	89.35
Dec	87.00	186.40	87.50	86.00
Jan	86.50	185.40	0	0
Mar	86.20	84.15	0	0
May	84.00	782.80	83.80	83.00
Jul	83.00	82.40	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low	
Apr	16.55	16.28	16.58	16.22
May	16.27	16.12	16.33	16.08
Jun	16.13	15.98	16.20	15.96
Jul	16.06	15.92	16.11	15.89
Aug	15.99	15.86	16.05	15.86
Sep	15.93	15.82	16.00	15.90
Dec	15.90	15.78	15.90	15.82
Jan	15.85	15.77	15.85	16.05

HEATING OIL 42,000 US galls, cents/US galls

	Close	Previous	High/Low	
Apr	46.00	44.22	46.25	44.60
May	43.40	42.85	43.80	42.80
Jun	42.50	41.80	42.65	42.00
Jul	42.45	41.80	42.65	42.05
Aug	43.10	42.30	43.10	43.00
Nov	45.35	44.35	45.35	45.25
Dec	45.90	45.05	45.95	45.75
Jan	46.45	45.45	46.45	46.15

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	1554	1552	1558	1535
Jul	1580	1582	1585	1564
Sep	1607	1609	1614	1598
Dec	1646	1650	1648	1633
Mar	1685	1682	1690	1675
May	1709	1702	1700	1700
Jul	1731	1732	1730	1730

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	132.50	130.76	132.50	130.75
May	133.81	132.38	134.00	131.30
Jul	136.00	134.57	136.10	134.07
Sep	137.80	136.54	137.80	136.85
Dec	140.98	138.75	140.30	138.65
Mar	141.40	139.50	141.10	139.50
May	141.50	140.00	0	0
Jul	142.50	141.85	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	8.80	8.81	8.85	8.80
Jul	8.73	8.71	8.76	8.57
Oct	8.67	8.66	8.79	8.60
Jan	8.58	8.62	0	0
Mar	8.84	8.80	8.77	8.80
May	8.69	8.74	8.77	8.69
Jul	8.74	8.78	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	63.05	63.47	63.75	62.92
Jul	62.40	62.85	63.02	61.80
Oct	59.00	58.83	59.40	59.00
Dec	57.80	57.65	58.20	57.70
May	59.59	58.75	59.60	59.50

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	165.40	168.00	169.00	165.75
May	159.65	162.40	164.00	158.65
Jul	157.55	159.25	159.75	158.25
Sep	152.65	153.70	155.75	151.75
Nov.	149.70	151.25	153.00	149.00
Jan	147.50	149.00	150.00	150.00
Mar	146.00	148.50	0	0
May.	146.00	148.95	0	0
Jul	146.00	148.95	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Mar 17	Mar 16	mnth ago	yr ago
1730.5	1718.9	1779.0	1527.4

DOW JONES (Base: December 31 1974 = 100)

Spot	129.44	129.85	131.08	113.80
Futures	132.44	132.93	136.01	113.48

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Mar	620/0	626/0	627/0	620/0
May	630/4	633/6	636/4	628/0
Jul	638/0	642/4	645/0	637/0
Aug	640/6	646/0	648/2	640/4
Sep	643/0	648/0	649/4	643/0
Nov	651/6	656/6	659/6	651/0
Jan	660/0	664/4	667/0	659/4
Mar	668/4	672/4	676/0	668/4
May	672/4	676/0	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	20.10	20.24	20.27	20.10
May	20.44	20.54	20.55	20.32
Jul	20.82	20.89	20.92	20.70
Aug	20.89	21.03	21.05	20.88
Sep	20.96	21.15	21.20	20.96
Oct	21.05	21.27	21.38	21.05
Dec	21.38	21.55	21.60	21.35
Jan	21.42	21.55	21.65	21.42
Mar	21.80	21.60	21.65	21.65

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Mar	197.1	187.9	188.9	187.0
May	186.9	186.6	188.2	186.5
Jul	187.4	187.0	189.0	186.9
Aug	188.2	188.3	189.7	187.5
Sep	189.0	188.5	190.2	188.8
Oct	189.6	189.5	191.8	189.5
Dec	192.5	192.7	194.5	192.0
Jan	194.5	195.5	194.5	194.5
Mar	197.5	197.0	197.5	197.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Mar	198/0	199/0	196/6	197/4
May	204/6	205/6	206/6	204/2
Jul	209/6	210/6	210/4	209/4
Sep	212/4	213/2	214/0	212/2
Dec	218/0	218/4	218/6	217/4
Mar	225/0	225/4	225/4	224/4
May	229/0	229/4	229/4	229/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	299/0	297/4	300/6	298/6
May	308/6	304/6	308/4	305/4
Jul	313/0	309/6	314/0	310/6
Sep	319/2	315/6	320/0	316/4
Dec	329/6	327/0	330/6	328/0
Mar	333/4	332/0	334/6	331/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	73.77	73.65	74.00	73.40
Jun	70.92	70.70	71.10	70.50
Aug	67.70	67.80	67.85	67.47
Oct	68.50	68.40	68.60	68.25
Dec	67.30	67.35	67.65	67.25
Feb	67.20	67.20	67.20	67.20
Apr	67.30	67.20	67.30	0

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	46.20	45.80	46.25	45.65
Jun	49.85	49.72	50.05	49.55
Jul	49.26	49.07	49.40	48.90
Aug	46.52	46.57	47.00	46.40
Oct	42.70	42.70	42.90	42.65
Dec	43.20	43.20	43.40	43.20
Feb	43.15	43.30	43.45	43.00
Apr	41.00	41.30	41.50	41.00

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	55.60	54.10	55.80	53.85
May	55.47	55.35	56.80	54.85
Jul	56.80	55.25	56.90	55.40
Aug	54.95	54.95	55.20	54.25
Feb	58.20	57.00	58.30	57.25
Mar	57.80	57.25	0	56.85

WORLD STOCK MARKETS

NEW YORK (3 pm)

March 18	US$	+ or −
AAR	24⅞	+⅛
ACS Computers	18½	....
AMCA	5⅛	−⅛
AMR Corp	43⅛	+⅛
ASA	45⅞	−⅛
AVX Corp	17⅞	−⅛
Abbott Labs	50⅛	+⅛
Acme Cleveland	12⅝	−⅛
Adobe Res	8⅛	+⅛
Advanced Micro	12⅞	+⅛
Aetna Life	45¼	−⅛
Ahmanson (H.F.)	15⅝	+⅛
Air Prod & Chem	47⅝	−⅛
Alberto-Culver	30⅞	−⅛
Albertson's	28⅞	−⅛
Alcan Aluminium	29½	−⅛
Alco Standard	25⅝	....
Alexander & Al	22	+⅛
Allegheny Intl	2⅛	....
Allegheny Power	38⅛	+⅛
Allegis	84⅞	+1⅛
Allied Signal	32⅞	−⅛
Allis Chalmers	1⅛	....
Aluminium Co of Am	46⅞	−⅛
Amax	19	+⅛
Amdahl Corp	34⅞	−1
Amerada Hess	30	....
Am Brands	45⅝	−⅛
Am Cyanamid	51	+⅛
Am Elect Power	28⅝	−⅛
Am Express	26⅛	−⅛
Am Gen Corp	36⅛	+⅛
Am Greetings	17⅞	....
Am Hoist & Dk	8	....
Am Home Prod	81⅛	−1⅛
Am Intl Group	58⅞	+⅛
Am Medical Intl	14⅛	−⅛
Am National	30⅞	+⅛
Am Petrofina	66⅛	+⅛
Am Standard	75⅞	−⅛
Am Stores	57⅞	+2⅛
Am T & T	28⅞	−⅛
Ameritech	92⅞	−1⅛
Ametek Inc	17	−⅛
Amfac	34⅛	+⅛
Amoco Corp	75⅛	−⅛
AMP	53⅞	−⅛
Analog Devices	14⅞	....
Anheuser-Bh	32	+⅛
Aon Corp	26⅛	+⅛
Apollo Comp	15	−⅛
Apple Computers	44⅛	−⅛
Archer Daniels	20⅛	−⅛
Arkla	19⅞	+⅛
Armco	11⅞	+⅛
Armstrong Wld	38⅞	+⅛
Asarco	25	−⅛
Ashland Oil	64⅛	+⅛
Atlantic Rich	80⅞	+⅛
Auto Data Pro	45⅞	−⅛
Avemco	7⅞	....
Avery International	25	−⅛
Avnet	25⅞	−⅛
Avon Prod	22⅞	−⅛
Baker Hughes	18¼	+⅛
Bally	17½	−⅛
Balt Gas & Elec.	30⅞	−⅛
Banc One	24⅞	−⅛
BankAmerica	10	+⅛
Bank of Boston	24⅞	−½
Bank of New York	30	....
Bankers Tst N.Y.	35⅞	−⅛
Barclays ADR	35⅞	−⅛
Barnett Bks Inc	33⅞	−⅛
Barry Wright	15	....
Basix	⅞	....
Bausch & Lomb Inc	44⅞	+⅛
Baxter Travenol	24⅞	−⅛
Becton Dickinson	61⅞	+⅛
Beker Inds	⅛	....
Bell Atlantic	70⅞	−⅛
Bell & Howell	61⅞	−⅛
Bell Industries	14⅞	−⅛
Bell South	39⅞	−⅛
Beneficial Corp	45	+⅛
Bethlehem Steel	22⅝	−⅛
Betz Labs	52⅞	+1⅛
Black & Decker	20⅞	+1⅛
Block H&R	30⅛	−⅛
Blount B	15⅞	....
Boeing	49⅞	+⅛
Boise Cascade	48⅛	−1⅛
Borden	55⅞	−1
Bowater Inc	35⅞	−⅛
Briggs Stratton	31½	−⅛
Bristol Myers	44⅞	−⅛
British Airways	32⅞	−⅛
BP	60⅞	+1⅛
Brit. Telecom	47	−⅛
Brown Forman B	47⅛	−⅛
Brown Group	36	....
Brown & Sharp	22⅞	+⅛
Brown Ferris	28⅞	+⅛
Brunswick	21½	−⅛
Burlington Nrthn	71⅛	....
Burndy	15⅛	....
CBI Industries	28⅛	−⅛
CBS	165	−1⅛
CPC International	50⅛	+⅛
CSX	29⅞	−⅛
Cabot	37	−⅛
Cameron Iron	16⅞	+⅛
Campbell Soup	29⅞	+½
Can Pacific	19⅛	+⅛
Canon Inc	4⅛	−⅛
Cap Cities ABC	350½	−3
Carlisle Corp	32	−⅛
Carolina Power	34⅞	−⅛
Carpenter Tech	45⅛	−⅛
Carter Hawley	10⅛	....
Caterpillar	67	....
Centel	47⅛	−⅛
Centerior Energy	16⅛	−⅛
Centex	20⅛	−⅛
Central & S.W.	31½	−⅛
Certain-Teed	47⅞	+⅛
Champ Home Build	5⅛	....
Champ Intl	36	−⅛
Champ Sp Plug	12⅛	−⅛
Charter Co	4⅞	−⅛
Chase Manhattan	26	....
Chemical N.Y.	23⅞	....
Chevron	46⅞	−⅛
Chrysler	24⅛	−⅛
Chubb	60⅞	−⅛
Cigna	49	−⅛
Cincinnati Mil	23⅞	+⅛
Citicorp	20⅞	−⅛
Clark Equipment	27⅛	+1⅛
Cleve Cliffs Iron	20⅞	−⅛
Clorox	32½	−⅛
Coastal Corp	27⅞	−⅛
Coca Cola	39⅞	−⅛
Coca Cola Ent.	15⅞	....
Colgate Palm	44⅞	−⅛
Colt Inds	19⅞	−⅛
Columbia Gas	28⅞	−1½
Combust'n Eng	36	−⅛
Commonw'th Ed	28⅞	....
Comm Satellite	29⅞	+⅛
Compaq Computer	53⅞	−⅛
Comp Science	47⅞	−1
Conagra	26⅞	....
Cons Edison	44½	....
Cons FreigM	30⅞	−⅛
Con Nat Gas	37½	....
Cons. Paper	68⅛	....
Cons. Rail	32⅛	+½
Consumer Power	18	+⅛
Contl Corp	38½	−⅛
Contl Illinois	3⅞	−⅛
Contl Ill. Hldgs	⅛	....
Cont Tel Corp	33⅛	−⅛
Control Data	28⅞	−⅛
Converg. Techs	3⅞	+⅛
Cooper Inds	60⅛	+⅛
Coors Adolph	20⅞	+⅛
Copperweld	11⅞	−⅛
Corning Glass	56	+⅛
Corroon & Black	33	−½
Crane	38⅞	−⅛
Cray Research	82	....
Crown Cork	104⅛	−1½
Cummins Eng	58⅞	−⅛
Curtis Wright	52⅞	−⅛
Daisy Systems	8⅞	−⅛
Damon	17⅞	−½
Dana	38⅛	−⅛
Data Gen	24⅛	−⅛
Datapoint	4⅞	−⅛
Dayton Hudson	37⅛	−⅛
Deere	45⅞	+⅛
Delta Air	49⅞	+⅛
Dia. Chk. Print	27⅞	+⅛
Detroit Edison	15⅞	−⅛
Diebold	46	−⅛
Digital Equip	110⅞	−1⅛
Disney (Walt)	63⅛	−⅛
Dominion Res	42⅞	−⅛
Donnelley (R.R)	37⅞	+⅛
Dover Corp	64	+⅛
Dow Chemicals	87⅞	−⅛
Dow Jones	34⅛	+⅛
Dravo	13⅞	−⅛
Dresser	33	−⅛
Duke Power	45⅛	−⅛
Dun & Bradstreet	51⅞	−⅛
Dupont	87½	−1⅛
E G & G	36⅛	−⅛
E-Systems	30	−⅛
Eastern Gas & F	24⅞	−⅛
Eastman Kodak	42⅛	−⅛
Eaton	79⅞	−⅛
Echlin Mfg	15½	−⅛
Emerson Elect	33⅞	−⅛
Emery Air Freight	6⅞	−⅛
Enhart	23½	−⅛
Engelhard Corp	19⅞	....
Enron Corp	36⅞	+⅛
Ensrch	18⅞	....
Ethyl	22⅛	−⅛
Exxon	43⅞	−⅛
FMC	29⅛	−⅛
FPL	29⅞	−⅛
Farmers GP	62⅞	+1⅛
Fedders	9⅛	+⅛
Federal Express	43½	−1⅛
Federal Mogul	41⅛	−⅛
Fed Nat Mort	35	−⅛
Fed Paper Brd	40½	−⅛
Fed Dept Stores	66	+⅛
Finl.Cp.Amer	1⅞	−⅛
Firestone	77⅞	+15⅛
First Bk.Systems	21⅛	−⅛
First Chicago	24⅛	+⅛
First City Bank	½	....
First Interstate	41⅛	....
First Mississippi	15	−⅛
First Penn	10⅛	+⅛
First Republic	1⅞	....
First Wachovia	36⅛	....
Fisbach	9⅞	....
Fishes	19⅞	....
Fleetwood Ent	21⅞	+⅛
Florida Prog.	34⅞	−⅛
Floor	18⅛	....
Ford Motor	44⅞	....
Fort Hwd Paper	40⅞	+⅛
Foster Wheeler	14	−⅛
Freeport Mcm	27⅛	+⅛
GAF	53⅛	+⅛
GATX	45½	−⅛
GEICO Corp	122	....
GTE Co	38⅞	+⅛
Gallagher (A.J.)	14⅞	....
Gannett	38⅞	....
Gen Am Invest	15⅞	....
Gen Cinema	18⅛	....
Gen Dynamics	56⅞	+⅛
Gen Electric	44	+⅛
Gen Instruments	34⅛	−⅛
Gen Mills	50⅞	−⅛
Gen Motors	72⅞	−1⅛
Gen Pub Utilities	31⅞	−⅛
Gen Reinsurance	52	+⅛
Gen Signal	51⅞	+1
Gen Tire	21	−⅛
Genentech	43⅞	−⅛
Genrad	9⅛	−⅛
Genuine Parts	39⅞	−⅛
Georgia Pac.	37⅛	−⅛
Gerber Prod	43⅛	−⅛
Gillette	39⅛	+⅛
Global Marine	1⅞	....
Golden West	27⅛	+⅛
Goodrich (B.F.)	51⅞	+⅛
Goodyear Tire	66	+1⅛
Gould	12⅛	+⅛
Grace	27⅞	−⅛
Grainger (W.W.)	61⅞	−⅛
Gt Atl Pac Tea	36⅛	+⅛
Gt Nthn Nekoosa	45	+⅛
Gt West Financial	13⅞	+⅛
Greyhound	29⅞	−⅛
Grow Group	9⅛	+⅛
Grumman	24⅞	+1⅛
Gulf and Western	80⅞	−⅛
Gulf States Utl	5⅞	....
Hall (FB)	5	+⅛
Halliburton	34⅛	+⅛
Hanna Mining	26⅞	....
Harcourt Brace	8⅞	+⅛
Harris Corp	29⅞	....
Harsco	35⅛	+⅛
Hecla Mining	13⅞	+⅛
Heinz (HJ)	44⅛	+⅛
Helmerick & P	25⅛	+⅛
Hercules	52⅛	+⅛
Hershey	27	−½
Hewlett Pkd	62	−⅛
Hilton Hotels	89⅞	+⅛
Hitachi	111⅛	−1⅛
Holiday Inns	26½	−⅛
Home Depot	24⅞	−⅛
Homestake	15⅞	−⅛
Honeywell	67⅞	+⅛
Hormel (Geo)	26	−⅛
Hospital Corp	38⅞	+1
Household Int	54½	−⅛
Houston Inds	31⅞	−½
Humana	25	....
IC Inds	35⅞	....
ITT	47⅛	+⅛
IU Int	22⅛	+⅛
Ideal Basic Ind	3	−⅛
Illinois Power	22⅞	+⅛
ICI ADR	77⅞	+⅛
Imp Corp Amer	10⅞	−⅛
INCO	23⅛	....
Ingersoll Rand	41	+½
Inland Steel	32⅞	−⅛
Intel	31⅛	....
Interco	45⅛	+½
Intergraph Corp	28½	....
Interlake	44½	−⅛
IBM	113⅞	−1½
Intl Flavors	50⅞	+⅛
Intl Income Pro	13⅛	+⅛
Intl Min & Chem	44	−2⅛
Intl Multifoods	31⅛	....
Intl. Paper	49⅞	−⅛
Irving Bank	54⅞	+1⅛
Jaguar Adr	5⅛	....
James River Va	25⅛	+⅛
Jeffn Pilot	35⅞	+⅛
Johnson Contr.	34½	−⅛
Johnson & Jns	85⅞	−⅛
K Mart	35⅞	−⅛
Kaiser Tech	11⅞	+⅛
Kaneb Services	2⅞	....
Kaufman Broad Inc	13⅛	....
Kellogg	52⅞	+1
Kemper	23⅞	....
Kennametal	37⅞	+⅛
Kerr-Mcgee Corp	38⅛	+1
KeyCorp	22⅞	+⅛
Kidde Inc	63	−⅛
Kimberly-Clark	57⅞	−⅛
Knight Rider N	43⅞	−⅛
Koppers	53⅞	....
Kraft Inc	86⅞	−⅛
Kroger	37⅞	+⅛
LTV Corp	3⅛	....
Lilly (Eli)	84	+⅛
Lin Broadcasting	56⅛	+⅛
Lincoln Nat Corp	48⅞	+1
Litton Inds	86	+⅛
Lockheed	43⅞	+⅛
Loews Corp	74⅞	−1
Lone Star	31⅞	+1⅛
Lone Star Tech	19⅞	....
Long Island Light	8⅞	....
Longs Drug Strs	33⅞	+⅛
Lotus Dev. Corp	29⅞	+⅛
Louisiana Land	34⅞	+⅛
Louisiana Pacific	29⅞	....
Lowe's	19⅞	−⅛
Lubrizol	40⅞	+⅛
Lucky Strs	31⅞	....
M A Comm. Inc.	10⅞	+⅛
MCA	45½	−⅛
MCI Comm.	11⅞	−⅛
Mack Trucks	15⅞	−⅛
MacmUlan	61	−⅛
Manfc. Hanover	27½	−⅛
Manville Corp	2⅞	....
Mapco	52⅞	+⅛
Marion Labs	22⅞	+⅛
Marriott	32⅞	+⅛
Marsh McLennan	53⅞	−1⅛
Martin Marietta	47⅞	+1⅛
Masco	28⅞	+1⅛
Mass Mutl Corp	39⅞	−⅛
Mattel	7⅛	....
Maxus Energy	7⅞	+⅛
Maxxam	11⅞	....
May Dept. Strs	38⅛	+⅛
Maytag	23⅞	....
McCulloch Oil	8⅞	−⅛
McDermott	20⅞	+⅛
McDonalds	44⅞	−⅛
McDonnell Douglas	63⅞	....
McGraw Hill	59⅞	−⅛
McKesson	30⅞	....
Mead	38⅞	−⅛
Medtronic	95⅛	+⅛
Mellon Natl	29⅛	−⅛
Melville	66½	−1⅛
Mercantile Strs.	42⅞	−1⅛
Merck	160	+1
Meredith	29	−⅛
Merrill Lynch	24⅞	+⅛
Messa Limited PA	12⅞	+⅛
M/com Systems	11⅞	....
Mid Sth Util	10	+⅛
Minnesota Mine	63⅞	+⅛
Mitchell Energy	11⅛	+⅛
Mobil	44⅞	−⅛
Mobasco	30⅛	....
Molex Inc	43⅞	+⅛
Monarch M/T	22⅛	....
Monsanto	85	−⅛
Moore McCormack	37⅞	−⅛
Morgan (JP)	33⅞	−⅛
Morgan Stanley	58⅞	−⅛
Morrison Knudsn	39⅞	−1⅛
Morton Thiokol	43⅞	−1
Motorola	48	−⅛
Multimedia	66½	−⅛
Munsingwear	35	−⅛
Murphy Oil	28⅛	+⅛
Nalco Chemical	39½	+⅛
Nat. Intergroup	19⅞	−⅛
Nat Medical Ent.	23	+⅛
Nat Semicondtrs	12⅛	....
Nat.Service Ind	23⅞	....
NatWest Bank	31⅞	−⅛
Navistar Intl	5⅞	....
NBD Bancorp	35⅞	+⅛
NCNB	20⅞	+⅛
NCR	61⅞	−⅛
Network Systems	9⅞	....
New England Elec.	22⅞	....
NY State E & G	22	....
NY Times	31⅛	+⅛
Newmont Mining	34⅞	....
Nia Mohawk	13⅛	....
Nicor Inc	28⅞	....
Nike B	25⅞	....
NL Industries	7⅞	....
Noble Affiliates	13⅞	....
Nordstrom	25⅛	....
Norfolk South'rn	30	+⅛
N American Coal	28⅞	+⅛
Northeast Util	20⅞	....
Nthn Indiana PS	11	....
Nth State Power	32⅞	....
Northrop	30⅞	....
Nth West Airlines	44	....
Norwest Corp	43⅛	....
Norwest Steel W	19⅛	....
Norton	48⅞	....
Novo Indr ADR	28⅛	+1⅛
Nynex	67⅛	−½
Occidental Pet	26⅞	−⅛
Ocean Drilling	19⅞	+⅛
Ogden	30⅞	−⅛
Ogilvy & Mather	29	....
Ohio Casualty	35⅛	....
Ohio Edison	19	−⅛
Olin	51⅛	−⅛
Oneok Inc	10⅛	−⅛
Orient Express	2⅞	....
Outboard Marine	31⅞	....
Overseas Ship	21⅛	+⅛
Owens Corning	20⅞	−⅛
Paccar	73⅛	+2⅛
PHH Group Inc	32⅞	−⅛
PPG Industries	40	+⅛
Pac Enterprises	49½	+⅛
Pac Gas & Elect	16⅛	−⅛
Pacificorp	34	−⅛
Pac Telecom	14	....
Pac Telesis	29⅛	−⅛
PaineWebber	17½	+⅛
Pall	30⅞	−½
Pan Am Air	5	+⅛
Pan Hand Pipe	25⅞	−⅛
Paradyne	5⅛	+⅛
Parker Drilling	3⅞	+⅛
Parker Hannifin	37⅞	+⅛
Payless Cashw	15⅞	....
Penn Central	22⅞ xc	....
Penn Pwr. & L	35⅞	−⅛
Penny J.C.	47⅞	+⅛
Pennzoil	76⅞	+⅛
People's Energy	17⅛	+⅛
Pepsico	35⅞	−⅛
Perkin Elmer	27⅞	+⅛
Petrie Stores	20⅞	−⅛
Pfizer	55⅞	....
Phelps Dodge	42⅛	−⅛
Philadel Elect	19⅛	....
Philip Morris	94	....
Phillips Pet	17⅞	+⅛
Pic 'N' Save	15⅞	−⅛
Pillsbury	42⅞	−2⅛
Pioneer Hi-Brd	34½	....
Pitney Bowes	46⅛	−⅛
Pittston	11⅞	+⅛
Plessey	29⅞	+⅛
Pogo Producing	4⅞	+⅛
Polaroid	33⅞	−⅛
Policy Mgt. Sys.	24⅞	−⅛
Potlatch Corp	33⅞	−⅛
Potomac El. Pwr.	22⅛	−⅛
Prab Robots	5	....
Premier Ind.	30	−⅛
Price Co	38½	−⅛
Primark	22⅞	....
Prime Computer	16⅛	−⅛
Primerica	30⅞	+⅛
Procter & Gamble	81⅞	+1
Pub Serv E & G	24⅞	....
Pub S Co Indiana	13⅛	−⅛
Pullman Peabody	6⅛	....
Quaker Oats	47⅞	−⅛
Quanex	9⅞	+⅛
Quantum	89⅛	−⅛
RJR Nabisco	51⅛	−⅛
Ralston Purina	76⅞	−1⅛
Ramada Inns	7⅞	−⅛
Rank Org ADR	13	....
Raychem	32	−1⅛
Raytheon	69⅞	−⅛
Reading Bates	2⅞	−⅛
Redman Inds	8⅞	....
Resorts Intl A	25⅞	+⅛
Reynolds Mtls	45⅞	+⅛
Rite Aid	36⅞	+⅛
Roadway Express	35	+⅛
Robins (AH)	26⅛	+⅛
Rochester Gas	17	+⅛
Rockwell Intl	19⅞	+⅛
Rohm & Haas	33⅞	+⅛
Rollins	16⅞	+⅛
Rorer	21⅞	....
Rowan	7⅞	....
Royal Dutch	120	+1⅛
Rubbermaid	24⅞	−⅛
Ryder System	31⅞	−⅛
Rymer Co	12⅞	....
SPS Technology	35½	+1⅛
Sabine Corp	20	+⅛
Safeco	24⅞	+⅛
St Paul Cos	45⅞	−⅛
Salomon Inc	22⅞	−⅛
Santa Fe S Pac	16⅞	+⅛
Sara Lee Corp	42⅛	−⅛
Saul Investment	17	....
Scandinavian FP	6⅞	....
Schering Plough	54	−1⅛
Schlumberger	36⅞	−⅛
Scientific Atl	15⅞	−⅛
Scott Paper	38⅞ xc	+1
Sea Containers Ltd	25	+⅛
Seagate Tech	22⅛	−⅛
Seagram	54	−⅛
Sealed Power	37⅞	−⅛
Sears Roebuck	38⅛	−⅛
Security Pac	30⅞	−⅛
Service Master	26½	−⅛
Shared Med	25⅞	+⅛
Shell Trans.	77⅞	−2⅛
Sherwin Williams	28⅞	....
Sigma Aldrich	45½	−⅛
Singer	49⅞	−⅛
Skyline	15⅞	−⅛
Slattery Gp Inc	23	....
Smith Internat.	8⅞	−⅛
Smithkline Beck	59⅞	....
Sonat	27⅞	−⅛
Sonoco Prods.	26	−⅛
Sony	41⅞	−⅛
Southeast Bank	25	+⅛
Sthn.Cal.Edison	31⅛	−⅛
Southern Co	22⅞	−⅛
Sthn.N.Eng.Tel	49½	−⅛
Sthwest Airlines	17⅞	−⅛
Southwestern Bell	38⅞	−⅛
Spring Inds.	34	+⅛
Square. D. Co	54⅞	+⅛
Squibb	67⅛	+⅛
Staley (AE)	25⅞	+⅛
Std.Brds.Paint	14⅞	....
Std.Prods.Co	27⅞	+⅛
Stanley Works	30⅞	+⅛
Stevens (J.P.) Co	63⅞	+⅛
Storage Technol.	2	....
Stratus Computer	27⅛	−1
Subaru America	6⅞	−⅛
Sun Company	58⅞	−⅛
Sundstrand	54⅞	+⅛
Sun Microsystems	34⅞	+1⅛
Suntrust	22⅞	−⅛
Super Val Strs.	21⅞	−⅛
Syntex	36⅞	−⅛
Sysco	32⅞	+⅛
Tie Comms	2⅛	−⅛
TRW Inc	52⅛	+⅛
Tambrands	57	+1⅛
Tandem Comp	19	−1
Tandon	1⅞	....
Tandy	40⅞	−1
Tektronix	28⅞	....
Teledyne	338½	−4⅛
Telerate	10⅛	+⅛
Temple Inland	48⅛	+⅛
Tenneco	44⅛	+⅛
Tesoro Petrol	11⅞	+⅛
Texaco	44⅞	+⅛
Texas Air	15	+⅛
Texas Eastern	29⅞	+⅛
Texas Instruments	54⅞	−1⅛
Texas Utilities	27⅞	−⅛
Textron	23⅞	−⅛
Thomas Betts	54⅞	−⅛
Tidewater	7	+⅛
Tiger International	14	+⅛
Time Inc	92⅞	+⅛
Times Mirror	38⅞	+⅛
Timken	71⅞	+⅛
Tom Brown	⅞	....
Tonka Corp	12⅞	+⅛
Torchmark	30	....
Tosco	2⅞	....
Total Petrol	16⅛	....
Toys R US	35⅞	−⅛
Transamerica	36½	−⅛
Transco Energy	27⅞	−1
Trans World Air	27⅞	+1
Transworld Corp	18⅞	....
Travelers	36⅞	−⅛
Tribune	41	−⅛
Tricentrol	7⅛	....
Tri Continental	22⅞	....
TRINOVA Corp	34⅛	−⅛
Triton Energy	10	+½
Tyco Labs.	27⅛	+⅛
Tyler	13⅛	−⅛
UST Corp	38⅛	−⅛
USX Corp	31⅞	+⅛
Unilever N.V.	62⅞	+1
Union Camp	35⅞	−⅛
Union Carbide	25	−⅛
Union Electric	23⅞	+⅛
Union Pacific	65⅞	+⅛
Unisys CP	34⅛	−½
United Brands	49⅞	....
Unocal Corp	38⅛	+⅛
USAIR Group	36⅛	+⅛
US Fidelity & Gr	33⅛	−⅛
US Gypsum	35	....
US Home	2⅞	−⅛
US Shoe	24⅞	−⅛
US Surgical	34	....
US Trust	48	+⅛
US West	53⅛	−⅛
Utd Technology	41⅞	+⅛
Utd Telecomms	30⅛	+⅛
Upjohn	31⅛	−1⅛
VF	32⅞	+⅛
Valero Energy	5⅞	−⅛
Varian Assocs	28⅛	−⅛
Varity Corp	2.87	−0.12
Vulcan Materials	151	+2
Wainoco Oil Co	6½	−⅛
Walgreen	32⅞	−⅛
Wal-Mart Stores	29⅞	−⅛
Wang-Labs B	12½	−⅛
Warner Comms	32⅞	−⅛
Warner-Lambert Co	76⅞	−⅛
Washington Post	223⅛	−⅛
Waste Management	37⅞	−⅛
Watkins-Johnson	26⅛	+⅛
Weis Markets	31	+⅛
Wells Fargo	53⅞	−⅛
Wendy's Intl	6⅞	−⅛
W.Point Pepperell	34⅞	....
West N. America	⅞	....
Western Publish	15⅛	−⅛
Western Union	3⅞	−⅛
Westinghouse	51⅞	−⅛
Westvaco	30⅞	−⅛
Weyerhaeuser	43⅛	−⅛
Wheeling Pitts	9⅞	−⅛
Whirlpool	27⅞	+⅛
Whittaker	29⅞	−⅛
Willamette Ind	47⅞	+⅛
Williams Co	26⅞	+⅛
Winn Dixie Store	42½	+⅛
Winnebago	9⅞	−⅛
Wisc Elec Power	24⅞	−⅛
Woolworth	48	+⅛
Worthington Ind	21	+⅛
Wrigley	79⅛	+1⅛
Xerox	57⅞	−⅛
Yellow Frt Sys	31⅛	+⅛
Zapata	3⅛	−⅛
Zayre	21⅞	−⅛
Zenith Elec	17⅞	−⅛
Zuro Co	15⅛	−⅛

CANADA (3 pm)

March 18	Can. $	+ or −
Abitibi	25½	+½
Abitibi Res	0.15	....
AMCA Intl	6⅛	−⅛
Agnico Eagle	19⅛	−⅛
Alberta Energy	18⅛	+⅛
Alcan Aluminium	37	....
Algoma Steel	19.00	+0.25
Bank Montreal	27½	−⅛
Bank Nova Scotia	13⅞	−⅛
B.C.E.	38½	−⅛
Bombardier	9⅞	−⅛
Bow Valley	13⅞	−⅛
BP Canada Res	20	+⅛
Brascan A	27⅞	+⅛
BC Forest	21⅛	+⅛
CAE Inds.	7⅞	....
CIL Inc	46⅛	....
CT Financial	20⅛	....
Cambior	15⅞	−⅛
Can NW Energy	16⅛	+⅛
Can Packers	13⅞	....
Can Imp Bank	21⅞	−⅛
Can Pacific	23⅞	+⅛
Can Tire A	15⅞	−⅛
Can Fur	26⅛	....
Chieftain	10⅛	+⅛
Cominco	17⅞	+⅛
Coniagas Mines	2.60	....
Cons Bathst A	18⅞	−⅛
Coremark Intl	2.30	+0.18
Coscan Dev	9⅞	+⅛
Denison Mines A	5.62	+0.12
Dofasco Inc	29⅞	+⅛
Dome Petroleum	1.24	....
Domtar	15⅛	+⅛
Echo Bay Mines	25⅛	−⅛
Falconbridge	22½	....
Fed. Inds. A	15⅞	+⅛
Gendis Inds. A	17	....
Giant Y'knife	18⅛	−⅛
Gulf Canada Res	16⅞	−⅛
Hawker Sid Can	22½	−⅛
Hudson's Bay	21⅞	+⅛
Imasco	28⅞	−⅛
Imperial Oil A	56⅛	....
Inco	29	....
Indal	10½	−⅛
Int.Pipe	45⅞	+⅛
Labatt	24⅞	+⅛
Lac Minerals	12⅞	−⅛
Laidlaw Trans. B	18½	−⅛
Laurentian Gp	9	....
Lawson Mrdon A	15	−⅛
Loblaw	11⅞	+⅛
Macmillan Bloedel	21⅞	+⅛
Magna Intl	12⅞	+⅛
McIntyre Mines	43	+1
Metall Mining	10⅞	−⅛
Mitel Corporation	3.60	−0.05
Molson Cl A	24⅞	−⅛
Moore Corp	30½	−⅛
Nat. Bk of Canada	10⅛	−⅛
NBS	3⅛	+
Nat Sea Products	15⅛	+⅛
Noranda Mines	23⅞	+⅛
Norcen Energy	18⅞	+⅛
Northern Telecom	24⅞	+⅛
Nova	10⅞	−⅛
Numac Oil	9⅞	−⅛
Oakwood Pet	5.25	....
Pan Can Pet	26	+⅛
Placer Dome	15⅞	−⅛
Power Corp	14⅞	−⅛
Quebec Sturgeon	2.90	....
Ranger Oil	7.37	+0.12
Reed Stenh'se	28	+½
Repap Ent	15⅛	+⅛
Royal Bank	29	−⅛
Royal Trust A	16⅛	....
Sceptre Res	4.40	+0.10
Seagram	87⅞	−1⅛
Sears Can Inc	10⅞	+⅛
Shell Canada Oil	40⅛	+1½
SHL Systemhouse	19½	−⅛
Southam	20	+⅛
Stelco	24⅛	−⅛
Teck B	14⅞	....
Texaco Canada	34⅛	+⅛
Thomson New	27½	−⅛
Toronto Dom Bk	29½	+⅛
Transalta	14⅞	−⅛
Trans Can.Pipe	15.25	....
Varity Corp	3.65	....
Westcoast Tra	16⅞	−⅛
Weston (Geo)	33⅛	+1

Wall Street

Dow rises as witching hour nears

EARLY afternoon trading saw stock prices move modestly upwards and hover near their highest levels since the October 19 crash.

The early buying took place before yesterday's so-called triple witching hour, when stock index futures contracts, options on those contracts and options on individual stocks expired simultaneously.

The Dow Jones Industrial Average rose almost 12½ points to 2,098.

Advancing stocks led losing issues by seven to five.

Canada

A broad-based rally took place in Toronto by midsession. The composite index rose 7.7 to 3,327.4 as advances led declines by 357 to 321 ou volume of 13.7m shares.

Laidlaw topped the actives list, unchanged at C$18¾. Other actives were Canadian Pacific, up C$⅛ at C$24, and Falconbridge, up C$¼ at C$22¾.

Northern Telecom, which recently settled e strike, gained C$⅜ to C$24⅞.

Ocelot Industries declined C$⅜ to C$7⅞ after its agreement in principle on Thursday to sell its Alberta oil and gas assets to Imperial Oil unit Esso Resources Canada.

Golds were mixed, with Echo Bay putting on C$⅛ to C$26, LAC Minerals down C$⅛ at C$12⅞ and Placer Dome unchanged at C$16.

North American closing prices were not available for this edition

Tokyo

Robust trade saw share prices close higher, although optimism following the US January trade deficit was tempered by comments made by Bank of Japan governor Mr Satoshi Sumita that the stock market was rising too quickly.

The Nikkei index rose 93.97 to 25,966.26, after briefly topping 26,000 in morning trade, on turnover of 1.2bn shares, up from 1.1bn.

Securities house, communications, non-life insurance, bank, electrical, pharmaceutical, gas, railway and bus, and shipbuilding issues advanced. Construction, credit and lease, warehouse, textile and service shares lost ground.

With the long weekend approaching, investors were unwilling to keep positions on their books. The stock market is closed today and will be shut on Monday for e national holiday.

However, there was active trade in large-capital issues. Ishikawajima-Harima Heavy Industries' upward surge continued; it rose Y35 to e new high of Y913.

Nippon Telegraph and Telephone fended off profit-taking to close up Y30,000 at Y2.44m.

Bridgestone advanced to Y1,420 before shedding some of its gain to close up Y30 at Y1,390 after news that Firestone Tire and Rubber had agreed to e merger.

Frankfurt

For the fourth day running, West German shares closed higher in active trading as the firmer dollar encouraged domestic and foreign investors.

Although prices fell slightly towards the close on position-squaring before the weekend, recent company news and the high level of liquidity among domestic investors provided a sound base.

AEG, which had risen on speculation that Daimler intended to acquire the AEG shares it did not already own, lost ground as speculators took profits after Daimler's non-committal statement on Thursday. AEG ended at DM255.50, down DM11.50.

Porsche, also the subject of rumours concerning Daimler, was active, ending DM1.50 down at DM545.50.

Milan

A new 1988 high for the fourth consecutive session was reached in active trading in Milan. The MIB index gained 21 to 1,126.

Pirelli Spa fell to L2,525 from L2,665 before news that it was withdrawing its offer for Firestone. In unofficial trade its shares later reached L2,580.

De Benedetti unit Buitoni gained sharply before the announcement by Switzerland's Nestlé that it would buy the company. Buitoni ordinary closed at L10,405, up from L9,990, and later rose to L11,300.

Amsterdam

The firmer dollar and renewed gains ou Wall Street boosted Dutch shares in active business.

The CBS all-share index gained 1.7 to 85.4, a new 1988 high.

Profits rises were announced by publisher Elsevier, up Fl 2 at Fl 52.80, and Nijverdal-Ten Cate, down Fl 1.50 at Fl 83. Supermarket chain De Boer, up Fl 1.30 to Fl 57, posted an increased profit after the close.

Zurich

Swiss trading was boosted by a stronger dollar and the overnight gain on Wall Street. Share prices closed firmer but below the day's lows, with the all-share Swiss index up 5.7 to 865.4.

Food giant Nestlé's bearer rose SFr60 to SFr8,900 pending its annual results and amid rumours concerning the Buitoni food company. It later announced it wouldbuy Buitoni.

Pirelli bearer surged SFr13 to SFr327 after it announced its withdrawal from the takeover battle for Firestone Tire and Rubber.

Australia

Post-crash highs came in early trading in Sydney. Although share prices fell back later, they closed up, with gains in all sectors.

Local institutions bought heavily. The All Ordinaries index gained 31.5 to 1,414, below the day's high of 1,416.8 which had been the highest level since 1,515.1 on October 24.

National turnover was solid at 178.1m shares worth A$290.1m.

Retailer Coles Myer rose 20 cents to A$7.60 after announcing an interim profits gain.

Singapore

Profit-taking before the weekend pushed Singapore prices down from their initial rises after the rise on Wall Street and e firming of the Tokyo market.

NOL led the actives on e turnover of 4.6m shares, gaining 4 cents to S$1.44 on expectations of good results to be released soon.

Hong Kong

Reports of increased profits by Hong Kong's big property companies prompted Hong Kong share prices to move higher in active trading.

Hong Kong Land, one of the biggest property companies, closed 5 cents lower at HK$7.85 after reporting a profit increase for 1987.

Madrid

A new year high in Madrid was attained after favourable US trade news. The general index closed 2.84 up at 270.87. The previous year high was 268.59 on Wednesday.

AUSTRIA

March 18	Sch %	+ or −
Creditanstalt	2,005	....
Goesser	2,870	....
Interunfall	9,730	+10
Jungbunzlauer	6,500	+300
Laenderbank	355	−2
Perlmooser	650	+1
Steyr-Daimler	94	....
Veitscher Mag	670	+30

BELGIUM/LUXEMBOURG

March 18	Frs.	+ or −
B.B.L	2,800	+50
Banque Gen. Du. L.	13,600	....
Bank Intl. A	13,000	....
Bekaert B	9,490	+440
Ciment CBR	5,300	+90
Cockerill	184	+1
Colruyt	7,800	+300
Delhaize	4,150	+40
EBES	4,800	+70
Fabrique Nat	736	−24
GB Inno BM	1,292	+42
GBL (Brux)L	3,120	+70
Generale Bank	5,600	+10
Gevaert	7,450	+200
Hoboken	7,300	+180
Intercom	3,850	+55
Kredietbank	3,810	−70
Pan Holdings	11,000	+100
Petrofina	11,250	+250
Raffinerie Tirle	1,498	+24
Royale Belge	5,570	+60
Soc Gen Belge	7,600	+60
Sofina	12,500	+250
Solvay	12,500	+50
Stanwick Intl	150	....
Tractebel	7,090	+340
UCB	8,900	+40
Wagons Lits	5,010	+10

DENMARK

March 18	Kr %	+ or −
Baltica Hldgs	450	+2
Cop Handelsbank	233	+1
D. Sukkerfab	318	+1
Den Danske Bank	324	....
East Asiatic	181	+2
Forenede Brygg	1,010	+15
GNT Holding	211	+1
I.S.S. B Systems	705	−1
Jyske Bank	440	....
Novo Inds*	181	+5
Privatbanken	212	....
Sophus Berendsen	832	+7
Superfos	213	+6

FINLAND

March 18	Mks	+ or −
Amer	193.5	+0.5
Finnish Sugar	58	−1.3
KOP	58.5	+0.2
Kone	232	+3.5
Kymmene	109.5	....
Nokia	175	+0.5
Pohjola 'B'	88.55	+0.7
Rauma-Repola	26	−1.1
Stockmann 'B'	254	−0.5
UBF'C'	30.65	−0.15
Utd. Paper	126.5	+1
Wartsila (sll)	224.5	....

FRANCE

March 18	Frs.	+ or −
Emprunt 4.5% '73	1,599 #	....
Accor	375	+6
Air Liquide	478	+12
Alcatel	1,892	+2
BIC	637	+34
BNP (Cert.Inv.)	235	+1
Bongrain	2,094	+64
Bouygues	782	+9
BSN Gervais	4,014	+19
Carrefour	2,130	+40
Club Mediterranee	442	+15
Cie Bancaire	442	+7
Cie Fin. de Suez	225	−3
Cofimeg	293	−1
CGE	233.1	+2.6
Damart	2,110	+130
Darty	330	+5
Dumez S.A.	526	+1
Eaux (Cie Gen)	1,030	−3
Elf-Aquitaine	274	+8
Essilor	2,311	+11
Gen. Occidentale	720	+2
Havas	526	+8
Imetal	163.5	+1
LVMH	1,792	+3
Lafarge Coppee	1,165	+9
L'Oreal	2,900	+70
Legrand	2,450	+19
Maisons Phenix	49	....
Matra S.A.	145	+1
Michelin B	187	+3
Midi (Cie)	1,230	+25
Moulinex	54	+1
Nord Est	86	+2
Paribas	313	+3
Pernod Ricard	702	+16
Perrier	610	+20
Peugeot S.A.	953	+12
Printemps Au	393	+1
Radiotech	873	+15
Redoute	2,180 #	....
Roussel-Uclaf	834	+17
St Gobain	420	+4
Sefimeg	427	+10
Skis Rossignol	746	−5
Telemech Elect	5,505 #	....
Thompson (CSF)	167	+3
Total-Petroles Fr.	346	+4
Valeo	412	+2

GERMANY

March 18	Dm.	+ or −
AEG	255.5	−11.5
Allianz AG	1,440	+59
BASF	252.6	+3.2
Bayer	274.7	+3.2
Bayer-Hypo	365	+2
Bayer-Verein	361	....
BHF-Bank	357.5	+3.5
BMW	540	+2
Brown Boveri	316	+4.1
Commerzbank	239.5	+2
Cont'l Gummi	259	+8.5
Daimler-Benz	706	+4.5
Degussa	351.5	+15
D'sche Babcock	158	−3
Deutsche Bank	440.9	+5.6
Dresdner Bank	259	+0.5
Feldmuehle Nobel	270.5	−3.5
Henkel	490	−8.5
Hochtief	463	+3

GERMANY (continued)

March 18	Dm.	+ or −
Hoechst	265.5	+1.5
Hoesch Werke	117.5	+4.5
Holzmann (P)	332.5	+1.5
Horten	195	+1
Hussel	477	+5
Karstadt	475	+20
Kaufhof	413.5	+8.5
KHD	106.9	+3.9
Kloeckner Werke	81.5	....
Linde	609	+14
Lufthansa	152	+2
MAN	162.5	+0.7
Mannesmann	130	+2
Mercedes Hld	583	+4.5
Metallgesell	270	+5
Muench Rueck	2,100	....
Nixdorf	572.5	+2
Porsche	545.5	−1.5
Preussag	152	+7
Rhein West Elect	214.5	+4.5
Rosenthal	198	+7
Schering	463.5	+1.5
Siemens	399	+4.1
Thyssen	131.5	+2.2
Varta	276	−4
Veba	264.3	+2.3
V.E.W.	164	−0.5
Verein-West	350	−2
Volkswagen	244.5	+0.8

ITALY

March 18	Lire	+ or −
Banca Com'le	2,315	+70
Bastogi-IRBS	282	−1
CIR	6,330	+355
Credito Italian	1,315	+30
Fiat	9,830	+191
Generali Assicur	94,050	....
Italcementi	108,200	....
La Rinascente	4,200	+10
Montedison	1,440	+25
Olivetti	10,245	+415
Pirelli Co	4,150	−10
Pirelli Spa	2,525	−140
Saipem	2,298	+28
Snia BPD	2,422	−28
Toro Assic	20,900	+950

NETHERLANDS

March 18	Fls.	+ or −
ACF Holding	51.40	+0.4
AEGON	74.10	+1
Ahold	76.10	+2.9
AKZO	107.20	+1.6
ABN	42.20	+0.4
AMEV	55.10	+0.9
AMRO	69.70	+1.3
Borsumij Wehry	96.50	+2
Buehrmann-Tet	46.40	+1.1
Dordtsche Petroleum	210.30	+2.8
Elsevier Ndu	52.80	+2
Fokker	25.00	−0.1
Gist Brocades	33.80	+0.3
Heineken	133.00	+2.5
Hoogovens	36.70	+2.2
Hunter Douglas	48.20	+0.5
IHC Caland	16.00	+1.5
Int Mueller	54.10	+0.6
KLM	35.20	+1
KNP	139.70	+1.2
Nat Ned Cert	60.90	+0.6

NETHERLANDS (continued)

March 18	Fls.	+ or −
Ned Mid Bank	163.50	+3
Nedlloyd	200.50	+4.5
Oce Grinten	203.00	+6
Ommeren (Van)	26.00	+0.5
Pakhoed	75.90	+0.6
Phillips	30.60	+0.2
Robeco	92.40	+1.6
Rodamco	148.90	+0.4
Rolinco	85.70	+1.4
Rorento	56.20	....
Royal Dutch	227.00	+2.8
Unilever	118.30	+2.7
VMF Stork	17.30	+1.5
VNU	80.00	+2
Wessanen	74.50	+0.8
Wolters Kluwer	128.00	+5

NORWAY

March 18	Kroner	+ or −
Aker Norcem	51.50	....
Bergens Bank	153.50	+1.5
Bergesen B	470.00	....
Christiania Bk	127.00	−3
Den Norske Credit	104.50	+0.5
Elkem	108.50	+4
Hafslund	515.00	−5
Kosmos	123.00	+5.5
Kvaerner	245.00	+2.5
Norsk Data	94.00	+4
Norsk Hydro	187.00	+2.5
Orkla Borregaard	393.00	+5
Storebrand	54.00	−1

SPAIN

March 18	Pts.%	+ or −
Alcazar	630	+5
Banco Bilbao	1,385	....
Banco Central	1,170	+5
Banco Exterior	455	....
Banco Hispano	862	−1
Banco Popular	1,710	+7
Banco Santander	1,150	+20
Banco Vizcaya	1,385	....
Banesto	1,196	−24
Dragados	489.5	+10.5
Hidrola	91.7	+3.2
Iberduero	138.5	+2
Petroleos	536	+2
Telefonica	177.7	+2.7

SWEDEN

March 18	Kroner	+ or −
AGA (Free)	183	....
Alfa-Laval	322	+10
ASEA B (Free)	354	+7
Astra B (Free)	209	−1
Atlas Copco	173	....
Electrolux B	255	....
Ericsson	224	+8
Esselte	181	+1
Mo Och Domsjo	332	+4
Pharmacia	176	+6
Saab-Scania (free)	189	+2
Sandvik	180	....
Skandia Ins	149	+1
Skandia Intl	163	−1

SWEDEN (continued)

March 18	Kroner	+ or −
Skan Enskilda	142	+2
SKF	242	−1
St Kopparbergs	384	+4
Svka Cellulosa	338	+3
Svka Handelsbn	107	....
Swedish Match	138	....
Volvo B (Free)	341	+5

SWITZERLAND

March 18	Frs.	+ or −
Adia Intl	7,750	+175
Alusuisse	647	+7
Bank Leu	2,825	+50
Brown Boveri	2,225	+45
Ciba Geigy	2,970	+25
do. (PtCts)	2,020	+15
Credit Suisse	2,555	+25
Elektrowatt	3,250	−25
Fischer (Geo.)	870	+5
Hoff-Roche (PtCts)	115,250	....
Hoff-Roche 1/10	11,425	+125
Inspectorate Int.	2,400	+50
Jacobs Suchard	8,375	+115
Jelmoli	2,350	−25
Landis and Gyr	1,130	+20
Nestle	8,900	+60
Oer-Buhrle	920	+10
Pargesa Hldg	1,520	−10
Pirelli	327	+13
Sandoz (Br)	12,750	+50
Sandoz (PtCts)	1,975	+10
Schindler (PtCts)	628	+3
Sika	635	−5
Surveillance	4,875	+100
Swissair	1,190	....
Swiss Bank	375	....
Swiss Reinsce	14,300	+350
Swiss Volksbk	1,720	+10
Union Bank	3,300	−10
Winterthur	5,550	+25
Zurich Ins	5,925	−25

SOUTH AFRICA

March 18	Rand	+ or −
Abercom	2.1	−0.05
AE & CI	10.2	−0.2
Allied Tech	91.5	....
Anglo Am Coal	34.5	....
Anglo Am Corp	49.25	−1.5
Anglo Am Gold	243	−5
Barlow Rand	19.35	....
Buffels	49	....
CNA Gallo	5.7	....
Currie Finance	3.7	....
De Beers	28.3	−0.05
Driefontein	30.3	−0.95
First Nat. Bank	18.75	....
Freegold	28.25	−0.75
Gold Fields SA	53	....
Highveld Steel	4.3	....
Malcor Hldgs	15	....
Nedbank	5.6	−0.15
OK Bazaars	12.6	....
Rembrandt	11.4	−0.1
Rust Plat	29.25	−0.25
Safren	18.75	−0.25
Sage Holdings	11.5	+0.25
SA Brewers	16.25	−0.25
Smith (C.G)	31	+1
Tongaat Hulett	10.25	−0.1

JAPAN

March 18	Yen	+ or −
Ajinomoto	3,240	−20
All Nippon Air	1,990	+10
Alps Electric	1,870	....
Amada	1,350	+30
Amano	1,530	....
Ando Construct	720	+9
Anritsu	2,690	+10
Aoki Corp.	965	−5
Arabian Oil	5,250	−10
Asahi Chemicals	1,140	+10
Asahi Glass	1,960	+10
Atsugi Nylon	983	−2
Bank Tokyo	1,570	....
Banyu Pharm	1,610	....
Bridgestone	1,390	+30
Brother Inds	670	+10
Calpis Food	1,580	−20
Canon	1,190	+20
Canon Sales	3,470	+130
Casio Computer	1,300	+10
Central Glass	730	+7
Chiyoda Chem	682	−8
Chubu Elect Pwr	3,000	+20
Chugai Pharm	1,660	−20
Citizen Watch	630	....
Daicel Chemical	835	+15
Daido Steel	626	+6
Daiei	1,840	....
Dai Ichi Kan Bank	3,190	+40
Daikin Inds	874	+7
Daikyo Kanko	3,400	+20
Dai Nippon Ink	780	−9
Dai Nippon Ptg	2,580	+20
Daishowa Paper	1,520	−10
Daiwa House	1,780	+20
Daiwa Sec	2,730	....
Denny's	3,400	−40
Dowa Mining	508	−2
Ebara	937	−6
Eisai	2,700	+30
Ezaki Glico	1,250	....
Fanuc	6,550	+380
Fuji Bank	3,490	+40
Fuji Electric	672	−3
Fuji Film	4,340	+60
Fuji Heavy Ind	625	−3
Fujikura Cable	815	−9
Fujisawa	2,060	+10
Fujitsu	1,540	....
Furukawa Elect	900	−11
Green Cross	2,210	−20
Gun-Ei Chem	802	−15
Gunze	1,040	+20
Hasegawa Koa	1,150	....
Hattori Seiko	1,910	+50
Heiwa Real Est	1,820	+40
Hino Motors	641	+2
Hirose Electric	5,120	−40
Hitachi	1,430	....
Hitachi Cable	1,200	+30
Hitachi Credit	1,550	−10
Hitachi Maxell	2,310	....
Hitachi Metals	1,090	−20
Honda	1,770	+30
Honshu Paper	610	−5
House Food Ind	2,220	....
Hoya	2,570	−10
Ikegami Tsush	1,900	−20
Indl Bank Japan	3,600	+10
Isetan	1,440	+60
Ishihara Sangyo	726	−11
Ishikawajima Hs	913	+35
Isuzu Motors	476	−1
Itoh (C)	802	−2
Ito Ham	1,580	+30
Ito Yokado	4,170	+40
Iwatsu Electric	925	−14
JAL	15,200	−100
J E O L	1,210	+20
Japan Radio	1,460	−10
Japan Steel Wks	443	+8
Jap S Battery	480	+5
Japan Synth Rbr	1,010	−20
Jujo Paper	803	+6
Jusco	1,990	+10
Kajima	1,520	−10
Kaken Pharm	1,660	+20
Kanebo	547	−8
Kanegafuchi Chm	1,010	....
Kansai Elect pw	2,950	−30
Kansai Paint	598	....
Kao Corp	1,950	....
Kashiyama	1,500	+30
Kawasaki Heavy	358	+8
Kawasaki Steel	410	+5
Kikkoman Shoyu	1,150	+20
Kinki Elect	2,970	−30
Kirin	2,340	....
Kobe Steel	329	+5
Koito Mfg	1,910	....
Kokuyo	3,050	+40
Komatsu	650	+18
Konica	1,360	+40
Korakuen Stad	4,190	−160
Kubota	696	−6
Kumagai	869	+4
Kuraray	1,620	−30
Kureha Chemical	1,280	−10
Kyotaru	1,780	−30
Kyoto Ceramic	5,700	+90
Lion	1,250	+30
Maeda Construct	1,310	−40
Makino Milling	869	+41
Makita Elect Wk	1,880	+10
Marubeni	531	+10
Marudai Food	1,370	+20
Marui	3,000	+10
Matsu Elect. Ind.	2,130	+50
Matsu Elect. Wks.	2,630	+30
Mazda Motors	446	−4
Meiji Milk	940	....
Meiji Seika	920	−13
MEI	2,680	+30
MHI	677	+9
Minebea	981	+38
Minolta Camera	710	+5
Misawa Homes	2,100	−40
M'bishi Bank	3,210	+70
M'bishi Chem	1,110	−10
M'bishi Corp	1,240	+20
M'bishi Elec	721	....
M'bishi Estate	2,180	....
M'bishi Gas Chem	710	+5
M'bishi Metal	880	+3
M'bishi Min Cmt	639	....
M'bishi Oil	641	+1
M'bishi Paper	918	+21
M'bishi Petchem	1,440	+20
M'bishi Plastics	795	+6
M'bishi Rayon	560	....
M'bishi Tst	3,850	+30
M'bishi Warehse.	1,570	....
Mitsui Bank	2,420	....
Mitsui Co.	837	+15
Mitsui Estate	2,000	−10
Mitsui Mining	500	....
Mitsui Petchem	1,470	+60
Mitsui Toatsu	814	+3
Mitsui Warehse	926	−19
Mitsukoshi	1,530	[illegible]
Mitsumi Elect	1,160	[illegible]
Mizuno Sporting	1,480	[illegible]
Mochida Pharm	6,060	[illegible]
Morinaga Milk	766	[illegible]
Murata Mfg	3,090	[illegible]
NGK Insulators	1,050	[illegible]
NGK Spark Plug	1,480	[illegible]
NTN Toyo Brg	609	[illegible]
Nihon Cement	864	[illegible]
Niigata Eng	434	[illegible]
Nikko Sec	2,120	[illegible]
Nippon Denso	1,960	[illegible]
Nippon Elect	2,190	[illegible]
Nippon Express	1,120	+10
Nippon Gakki	2,080	[illegible]
Nippon Hodo	3,300	[illegible]
Nippon Kayaku	1,250	....
Nippon Kogaku	1,220	....
Nippon Kokan	399	+4
Nippon Lt Metal	602	−8
Nippon Meat Pak	2,340	+20
Nippon Mining	494	−6
Nippon Oil	1,220	+10
Nippon Road	1,320	....
Nippon Sanso	673	−4
Nippon Seiko	686	−4
Nippon Sh Glass	936	−14
Nippon Shimpan	1,190	−10
Nippon Steel	473	+8
Nippon Suisan	629	+0
Nippon Yusen	595	....
Nishimatsu Cons	700	+5
Nissan Motor	893	−12
Nissei Sangyo	2,160	+30
Nisshin Flour	1,350	−40
Nissin Food	2,230	....
Nisshin Oil	880	−13
Nisshinbo	1,260	....
Nitto Boseki	580	−11
Nomura	4,220	+120
Noritake	1,040	+40
Odakyu Elec Rly	968	−2
Ohbayashi-Gumi	937	....
Oji Paper	1,370	+20
Oki Electric	840	+10
Okuma Mach	960	+38
Okumura-Gumi	912	−8
Olympus	1,170	+30
Onoda Cement	859	+25
Ono Pharm	6,680	+80
Orient Finance	1,480	−30
Orient Leasing	3,410	....
Osaka Gas	593	+2
Penta Ocean Con	825	+4
Pioneer	3,400	−10
Renown	852	−8
Ricoh	1,310	+20
Royal Co	2,590	−50
Sankyo	2,230	....
Sanraku	1,170	+30
Sanrio	4,390	....
Sanwa Bank	2,960	+20
Sanyo Elect	554	+9
Sapporo	1,660	....
Secom	6,470	+60
Seiyu Stores	2,210	−80
Sekisui Chem	1,370	....
Sekisui Home	1,870	−10
Settsu Paperbrd	905	−15
Seven-Eleven	7,680	+40
Sharp	1,040	+10
Shimizu Const.	910	....
Shin-Etsu Chem	2,010	+20
Shionogi	1,840	−20
Shiseido	1,690	+10
Showa Aluminium	720	+8
Showa Denko	738	−11
Snow Brand Milk	1,280	+20
Sony	5,320	+60
Stanley Electri	1,130	....
Sumitomo Bank	3,900	....
Sumitomo B'lite	820	−6
Sumitomo Cement	577	+7
Sumitomo Chem	920	....
Sumitomo Corp	1,140	+10
Sumitomo Elect	1,660	−20
Sumitomo Heavy	593	−10
Sumitomo Marine	1,310	+10
Sumitomo Met In	381	+7
Sumitomo Met Mng	1,470	−10
Sumitomo Realty	1,350	+20
Sumitomo Tr & Bk	3,590	+10
Suzuki Motor	670	−1
Taisei Corp	920	−10
Taisho Marine	1,200	+10
Taisho Pharm	1,840	+30
Taiyo Fishery	472	−4
Taiyo Kobe Bank	1,600	....
Takara Shuzo	930	−4
Takeda	3,250	+20
Tanabe Seiyaku	2,550	+10
TDK	4,730	+110
Teijin	825	−5
Teikoku Oil	770	....
The Nenryo Kyo	1,750	−10
Tobishima	1,210	−30
Toho	26,600	....
Tokai Bank	2,230	+10
Tokai Carbon	528	+3
Tokio Marine	2,120	+10
Tokyo B'casting	2,380	+40
Tokyo Electric Pwr	6,300	....
Tokyo Electron	2,840	....
Tokyo Gas	1,210	+10
Tokyo Rope	1,430	−20
Tokyo Style	1,840	+50
Tokyu Car	1,230	−20
Tokyu Corp	1,510	+20
Tokyu Land	720	+1
Toppan Print	1,790	+30
Toray	814	−4
Toshiba Elect	818	+8
Toshiba Mach	540	+3
Toto	2,310	....
Toyo Construct	598	−1
Toyo Ink	811	−4
Toyo Rubber	525	−5
Toyo Seikan	2,950	+40
Toyo Soda	700	−1
Toyota Motor	2,480	+40
UBE Inds	479	−2
Unitika	439	−6
Victor	2,590	+10
Wacoal	1,150	−20
Yamaha	1,290	+20
Yamaichi Sec	2,150	+50
Yamanouchi	4,310	+70
Yamatake H'ywell	1,520	....
Yamato Trans	1,640	+10
Yamazaki	1,490	+20
Yasuda Fire	1,130	+20
Yasukawa Elect.	665	+6
Yokohama Rubber	620	−12
Yoshitomi Pharm	1,340	−10
Yuasa Battery	521	+3

AUSTRALIA

March 18	Aust$	+ or −
ACI Int.	4.05	....
A.F.P.	1.14	....
Adelaide Steams	5.60	....
Amcor	4.35	+0.15
Ampol Pet	3.60	−0.03
Ariadne Aust	0.37	+0.02
Ashton	1.20	−0.05
Aust Guarant	4.45	+0.1
Aust Nat Inds	1.80	+0.05
ANZ Group	4.50	+0.2
Bell Group	1.82	−0.06
Bell Resources	1.52	+0.17
Bond Corp Hldgs	1.73	+0.03
Boral	4.30	+0.18
B'ville Copper	3.55	+0.15
Brambles Inds	9.36	+0.42
Bridge Oil	0.80	+0.08
BHP	7.36	−0.16
BHP GoM	0.86	+0.01
Burns Philp	4.02	+0.07
CRA	6.80	+0.26
CSR	3.83	+0.08
Chase Corp	0.91	+0.01
Claremont Petro	0.26	+0.01
Coles Myer	7.60	+0.2
Comalco 'A'	3.90	+0.15
Consolidated Pet	0.22	−0.01
Costain Aust	3.15	+0.3
Elders IXL	3.03 xc	+0.09
Energy Res	2.55	+0.05
Gen Prop Trust	2.80	....
Goodman Fielder	2.50	−0.05
Hardie (J)	3.30	+0.1
Hartogen Energy	1.90	+0.05
ICI Aust.	5.20	+0.08
Industrial Equity	1.63	+0.08
Jones (David)	7.74	+0.24
Kia Ora Gold	0.38	−0.02

AUSTRALIA (continued)

March 18	Aust$	+ or −
Kidston Gold	4.12	−0.06
Lend Lease	12.30	+0.3
MIM	1.78	+0.03
Mayne Nickless	5.40	−0.1
Nat. Aust. Bank	5.50	+0.2
News	12.90	+0.4
Noranda Pacific	0.90	+0.02
North Bkn Hill	2.72	+0.12
Oakbridge	0.25	....
Pacific Dunlop	4.30	−0.02
Pancont'l	1.90	+0.12
Pioneer Conc	2.85	+0.05
Placer Pacific	1.67	+0.07
Poseidon	2.75	....
Queensland Coal	1.24	+0.01
Santos	4.15	+0.07
Smith (H.)	3.45	....
Thos Natwide	4.65	+0.2
Tooth	7.14	+0.34
Vamgas	2.90	....
Western Mining	5.30	+0.04
Westpac	5.80	+0.22
Woodside Petrol	1.60	....
Woolworths	2.43	−0.02
Wormald Intl	1.62	−0.07

HONG KONG

March 18	H.K.$	+ or −
Bank East Asia	16.90	....
Cathy Pacific	7.05	+0.15
Cheung Kong	7.90	+0.1
China Light	19.10	−0.3
Evergo	0.33	−0.01
Hang Lung	4.85	−0.02
Hang Seng Bank	33.25	+0.25
Henderson Devel.	4.82	+0.07
Hongkong China	16.40	....
HK Electric	8.25	−0.05
HK Land	7.85	−0.1
HK Shanghai Bank	7.45	+0.05
HK Shanghai Hotels	3.92	+0.02
HK Telecomms.	7.50	+0.15
Hutchison Wpa	8.80	....
Indust. Equity P	9.10	−0.35
Jardine Math	12.40	+0.2
New World Dev	9.20	−0.05
SHK Props	9.90	+0.05
Shell Elec.Mfg	1.13	+0.02
Swire Pac A	18.10	+0.2
TV-B	13.80	+0.3
Wharf Hldgs	7.00	....
Winsor Ind	8.15	+0.1
World Intl Hldgs	3.15	+0.13

SINGAPORE

March 18	$	+ or −
Boustead Hldgs	1.17	+0.01
Cerebos Pacific	4.90	+0.02
Cold Storage	4.22	−0.02
DBS	10.70	....
Fraser & Neave	8.80	+0.15
Genting	4.90	−0.04
Haw Par Bros	3.10	+0.08
Hong Leong Fin	2.64	−0.02
Inchcape Bhd	4.52	+0.08
Keppel Corp.	2.22	−0.03
Malayan Banking	4.46	−0.02
Malayan Utd Ind	1.54	−0.02
Multi Purpose	0.37	+0.01
OCBC	6.80	....
OUB	3.46	−0.02
Public Bank	1.71	−0.03
Sime Darby	2.49	−0.01
Singapore Air	11.40	+0.1
Singapore Press	7.95	+0.05
Straits Trading	3.26	−0.04
Tat Lee Bank	3.00	−0.02
UOB	5.05	....

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner

INDICES

NEW YORK — DOW JONES

	Mar. 17	Mar. 16	Mar. 15	Mar. 14	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
φIndustrials	2086.04	2064.32	2047.41	2050.07	2722.42	1738.42 (25/8/87)	2722.42 (19/10/87)	41.22 (2/7/32)
Home Bonds	90.82	90.66	90.71	90.61	95.51	81.26 (9/2/87)	— (19/10/87)	—
Transport	876.94	865.81	848.01	849.05	1101.16 (14/8/87)	661.00 (4/12/87)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	180.30	179.94	178.70	177.34	227.83 (22/1/87)	160.98 (19/10/87)	227.83 (22/1/87)	10.50 (8/4/32)

φDay's High 2093.17 (2070.62) Low 2057.03 (2027.02)

STANDARD AND POOR'S	Mar. 17	Mar. 16	Mar. 15	Mar. 14	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
Composite ‡	271.22	268.65	266.13	266.37	336.77 (25/8/87)	223.92 (4/12/87)	336.77 (25/8/87)	4.40 (1/6/32)
Industrials	314.70	311.39	308.55	309.21	393.17 (25/8/87)	255.43 (4/12/87)	393.17 (25/8/87)	3.62 (21/6/32)
Financials	23.57	23.36	23.33	23.39	32.43 (25/8/87)	20.39 (7/12/87)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	152.68	151.28	149.99	150.06	187.99 (25/8/87)	125.91 (4/12/87)	187.99 (25/8/87)	4.46 (25/4/42)
Amex Mkt. value	298.99	297.51	296.75	296.94	365.01 (13/8/87)	231.90 (4/12/87)	365.01 (13/8/87)	29.32 (9/12/72)
NASDAQ OTC Comp	380.70	378.54	376.57	376.67	455.26 (26/8/87)	291.90 (28/10/87)	455.26 (26/8/87)	54.87 (31/10/72)

	Mar. 10	Mar. 3	Feb. 26	year ago (approx.)
Dow Industrial Div. Yield	3.54	3.38	3.41	2.96

	Mar. 16	Mar. 9	Mar. 2	year ago (approx.)
S & P Industrial div. yield	2.94	2.93	2.96	2.58
S & P P/E ratio	15.35	15.41	15.13	20.82

TRADING ACTIVITY

† Volume Millions	Mar. 17	Mar. 16	Mar. 15
New York	211.920	154.590	133.170
Amex	11.425	9.755	10.904
OTC	161.048	141.863	130.429

NEW YORK	Mar. 17	Mar. 16	Mar. 15
Issues Traded	1,978	1,966	1,970
Rises	969	945	772
Falls	544	540	722
Unchanged	465	481	476
New Highs	33	27	17
New Lows	5	8	13

CANADA

TORONTO	Mar. 17	Mar. 16	Mar. 15	Mar. 14	1987-88 High	1987-88 Low
Metals & Minerals	2726.9	2685.4	2674.7	2711.6	3507.5 (9/10/87)	1988.2 (2/1/87)
Composite	3319.7	3302.4	3302.1	3315.9	4112.9 (13/8/87)	2837.8 (28/10/87)
MONTREAL Portfolio	1656.12	1642.79	1641.24	1652.4	2224.77 (16/7/87)	1435.94 (26/10/87)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Utd Cable	8,300,700	33⅛	+ 1⅛
Templeton	6,203,900	10	—
Pillsbury	3,486,500	45⅞	+ 3⅞
Phillips Pet	3,438,000	17⅞	+ 1⅞
Digital Equipment	3,128,000	112⅛	− 5⅞
Exxon	1,953,600	44	+ ⅛
IBM	1,777,200	114⅞	− ⅛
AT&T	1,614,600	29	+ ⅛
General Electric	1,529,000	44⅞	+ ⅛
American Standard	1,444,400	76⅞	+ ⅞

Base values of all indices are 100 except NYSE All Common — 50; Standard and Poor's — 10; and Toronto Composite and Metals — 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials plus 40 utilities, 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

	Mar 18	Mar 17	Mar 16	Mar 15	1987-88 High	1987-88 Low
AUSTRALIA						
All Ordinaries (1/1/80)	1414.0	1382.5	1357.7	1359.1	2305.9 (21/9/87)	1151.0 (11/11/87)
All Mining (1/1/80)	686.1	672.3	654.8	655.8	1462.4 (14/10/87)	532.4 (10/2/88)
AUSTRIA						
Credit Aktien (30/12/84)	175.83	173.69	172.14	171.84	232.19 (22/9/87)	163.98 (11/2/88)
BELGIUM						
Brussels SE (1/1/84)	4918.6	4852.9	4819.2	4842.8	5412.2 (13/8/87)	3505.8 (18/12/87)
DENMARK						
Copenhagen SE (3/1/83)	194.20	193.45	193.12	192.95	219.76 (27/8/87)	179.60 (20/11/87)
FINLAND						
Unitas General (1975)	604.1	598.6	591.8	591.6	679.1 (15/10/87)	425.2 (5/1/87)
FRANCE						
CAC General (31/12/82)	299.2	295.9	294.1	294.7	460.4 (26/3/87)	251.3 (29/1/88)
Ind. Tendance (31/12/87)	108.9	107.2	106.4	106.3	112.3 (25/2/88)	89.7 (29/1/88)
GERMANY						
FAZ Aktien (31/12/58)	(u)	468.35	465.07	460.55	676.84 (6/1/87)	396.40 (29/1/88)
Commerzbank (1/12/53)	1457.5	1431.5	1424.7	1409.2	2061.1 (17/8/87)	1207.9 (29/1/88)
HONG KONG						
Hang Seng Bank (31/7/64)	2607.6	2581.33	2555.84	2578.92	3949.73 (1/10/87)	1894.94 (7/12/87)
ITALY						
Banca Com. Ital. (1972)	(u)	535.36	527.08	509.51	767.34 (30/4/87)	423.91 (9/2/88)
JAPAN **						
Nikkei (16/5/49)	25966.26	25872.29	25704.43	25475.67	26646.43 (14/10/87)	18544.00 (13/1/87)
Tokyo SE New (4/1/68)	2134.87	2121.20	2106.18	2084.80	2258.56 (11/6/87)	1557.46 (13/1/87)
NETHERLANDS						
ANP-CBS General (1970)	250.6	245.1	243.6	243.4	334.1 (14/8/87)	192.2 (10/11/87)
ANP-CBS Industrial (1970)	204.7	200.0	197.9	198.5	280.8 (11/8/87)	147.5 (10/11/87)
NORWAY						
Oslo SE (4/1/83)	391.09	388.03	381.28	382.15	592.04 (21/9/87)	307.48 (10/11/87)
SINGAPORE						
Straits Times Ind. (30/12/66)	959.70	958.60	946.5	944.1	1505.4 (26/8/87)	700.4 (7/12/87)
SOUTH AFRICA						
JSE Gold (28/9/78)	80	1277.0	1303.0	1276.0	2499.0 (3/8/87)	1212.0 (29/2/88)
JSE Industrial (28/9/78)	00	1494.0	1504.0	1494.0	2266.0 (16/10/87)	1387.0 (12/2/88)
SPAIN						
Madrid SE (30/12/85)	270.87	268.03	268.59	264.88	325.44 (6/10/87)	201.08 (4/12/87)
SWEDEN						
Jacobson & P. (31/12/56)	2756.7	2732.0	2747.5	2755.5	3287.1 (8/10/87)	2068.6 (10/11/87)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	539.5	534.5	531.7	531.3	729.7 (5/10/87)	450.9 (10/11/87)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	452.3	450.3	447.2	495.9 (27/8/87)	361.3 (2/1/87)

** Saturday March 12: Japan Nikkei (c). TSE (c)

Base values of all indices are 100 except Brussels SE — 1,000 JSE Gold — 255.7 JSE Industrials — 264.3 and Australia. All Ordinary and Metals — 500; (c) Closed. (u) Unavailable.

CURRENCIES AND MONEY

FOREIGN EXCHANGES

Profit taking hurts pound

STERLING LOST ground after a firmer start, as profit taking and a firmer dollar added to the effects of Thursday's half point cut in UK base rates.

The pound touched a high of DM3.1050 in the morning with dealers reporting strong demand, but the trend was quickly reversed, and sterling retreated to DM3.0640. Traders were unable to offer any explanation as to why the fall had been so sudden. There was certainly a temptation to take profits ahead of the weekend, although the pound's underlying tone remained bullish.

There was no hint of any intervention by the Bank of England, and the pound closed at DM3.0900 from DM3.0975 and Y233.75, unchanged from Thursday. Elsewhere it slipped to SFr2.5575 from SFr2.5675 and FFr10.4950 compared with FFr10.5200. On Bank of England figures, the pound's exchange rate index fell to 76.9 from 77.4 at the opening and Thursday's close. Against the dollar, sterling fell to $1.8205 from 1.8325.

UK M3 money supply rose by 0.4 p.c. in February, compared with a 0.5 p.c. rise in January, while the narrowly defined M0 fell by 0.1 p.c. against a 0.3 p.c. decline in January. Nevertheless the year on year rate was higher at 5.3 p.c. from 4.8 p.c. previously. UK bank lending rose by £2.6bn, which was well down from January's exceptional £5.5bn rise. It was also a little below expectations.

The dollar continued to draw support from January's better than expected trade figures. However dealers saw no fundamental change for the better in the economic factors affecting the US unit, and suggested that it could come under renewed pressure after the end of the Japanese financial year.

Last night it closed at DM1.6975 from DM1.6905 and Y128.35 compared with Y128.60. Elsewhere it rose to SFr1.4055 from SFr1.4010 and FFr5.7650 from FFr5.7400. On Bank of England figures, the dollar's exchange rate index rose from 94.0 to 94.3.

D-MARK-Trading range against the dollar in 1987/88 is 1.9305 to 1.5740. February average 1.6966. Exchange rate index 148.9 against 146.7 six months ago.

Profit taking ahead of the weekend saw the pound weaker in Frankfurt. After a high of DM3.1050, sterling slipped back to DM3.0900. Early afternoon trading saw the pound retreat further to DM3.0875.

The dollar attracted investor interest after Thursday's encouraging trade figures but dealers stressed that much of the demand emanated from a switch out of sterling rather than a fundamental change in dollar sentiment.

JAPANESE YEN-Trading range against the dollar to 1987/88 is 159.45 to 121.35. February average 129.17. Exchange rate index 240.2 against 222.4 six months ago.

Profit taking erased some of the dollar gains, made in New York on better than expected trade figures, and the US unit finished at Y128.35 in Tokyo, down from Y128.65.

While the figure was conceded as a step in the right direction, it was still a very small step, and investors were still a little cautious about the dollar's ability to sustain any significant improvement.

Trading was relatively subdued, with Tokyo closed on Monday for a national holiday.

£ IN NEW YORK

Mar.18	Latest	Previous Close
£ Spot	1.8220-1.8230	1.8330-1.8340
1 month	0.31-0.29pm	0.31-0.28pm
3 months	0.92-0.88pm	0.91-0.87pm
12 months	3.20-3.10pm	3.11-3.02pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar.18	Previous
8.30 am	77.4	77.8
9.00 am	77.4	77.8
10.00 am	77.4	77.6
11.00 am	77.4	77.4
Noon	77.0	77.4
1.00 pm	77.0	77.4
2.00 pm	77.0	77.4
3.00 pm	76.9	77.3
4.00 pm	76.9	77.3

CURRENCY RATES

CURRENCY MOVEMENTS

Mar.18	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.9	-15.9
U.S. Dollar	94.3	-12.9
Canadian Dollar	80.7	-6.3
Austrian Schilling	139.7	+10.6
Belgian Franc	100.4	-4.9
Danish Krone	92.9	+2.0
Deutsche Mark	148.9	+23.8
Swiss Franc	175.9	+23.5
Guilder	137.5	+15.2
French Franc	71.2	-13.8
Lira	46.6	-19.6
Yen	240.2	+78.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1975=100)** Rates for Mar.17

OTHER CURRENCIES

Mar.18	£	$
Argentina (1)	8.9900-9.0495	4.9300-4.9600
Australia	2.4735-2.4765	1.3565-1.3575
Brazil	197.60-198.70	108.40-108.90
Finland	7.4210-7.4430	4.0725-4.0745
Greece	245.40-250.70	133.80-136.60
Hong Kong	14.2195-14.2370	7.8025-7.8045
Iran	123.60*	66.50*
Korea(Sth)	1374.80-1387.25	750.00-756.20
Kuwait	0.50100-0.50150	0.27460-0.27470
Luxembourg	64.50-64.60	35.40-35.50
Malaysia	4.6995-4.7115	2.5790-2.5820
Mexico	4157.60-4168.95	2280.00-2285.00
N. Zealand	2.7260-2.7285	1.4950-1.4975
Saudi Ar.	6.8415-6.8475	3.7500-3.7510
Singapore	3.6740-3.6815	2.0160-2.0180
S. Af (Cm)	3.9020-3.9225	2.1430-2.1460
S. Af (Fn)	4.8545-4.9875	2.6665-2.7395
Taiwan	52.50-52.75	28.60-28.70
U.A.E.	6.7000-6.7060	3.6725-3.6735

*Selling rate (1)Argentina Official rate now quoted

POUND SPOT- FORWARD AGAINST THE POUND

Mar.18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.8190-1.8402	1.8200-1.8205	0.30-0.27cpm	1.88	0.86-0.81pm	1.83
Canada	2.2740-2.2944	2.2740-2.2750	0.03dis-0.07cpm	0.11	0.12dis-0.01pm	-0.10
Netherlands	3.46¼-3.48½	3.46¾-3.47¾	1⅝-1⅜cpm	4.54	4⅜-3⅞pm	4.61
Belgium	64.46-64.92	64.50-64.60	23-6cpm	2.70	51-31pm	2.54
Denmark	11.80-11.89	11.80-11.81	⅛pm-1⅞oredis	-0.38	par-2dis	-0.34
Ireland	1.1545-1.1630	1.1560-1.1570	0.08-0.02pm	0.52	0.16-par	0.28
W. Germany	3.08¼-3.10½	3.08¼-3.09¼	1⅝-1⅛pfpm	5.10	4⅜-3⅜pm	6.47

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

EURO-CURRENCY INTEREST RATES

Mar.18	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	8¼-8½	8⅜-8⅝	8⅜-8½	8½-8⅝	8⅝-8⅞	8⅞-9⅛
US Dollar	6½-6¼	6⅜-6¼	6⅜-6⅝	6⅝-6⅞	7-6⅞	7⅜-7¼
Can. Dollar	8½-8¼	8½-8¼	8½-8¼	8⅝-8⅜	8⅞-8⅝	9⅛-8⅞
D. Guilder	3⅝-3½	4⅛-3⅞	4⅛-3⅞	4⅛-3⅞	4⅛-4	4⅜-4⅛
Sw. Franc	1¼-⅝	1¼-1¼	1⅝-1⅜	1⅝-1⅝	2⅛-2	2⅜-2¼
Deutschemark	3⅜-3¼	3⅜-3¼	3⅜-3⅜	3⅝-3⅜	3⅝-3½	3⅞-3⅝
Fr. Franc	7⅜-7¼	7⅜-7¼	8-7¾	8⅛-8⅜	8½-8⅜	8⅝-8⅜
Italian Lire	11¼-9¾	10⅞-9⅞	11-10½	11-10⅝	11-10⅝	11¼-11
B. Fr. (Fin)	6¼-5⅞	6¼-6	6¼-6	6⅜-6⅛	6⅜-6⅛	6⅝-6⅜
B. Fr. (Con.)	6¼-5⅞	6¼-5⅞	6¼-5⅞	6¼-6	6⅜-6⅛	6⅝-6⅜
Yen	4⅜-4¼	4⅜-4¼	4⅜-4¼	4⅜-4¼	4⅜-4¼	4⅝-4½
D. Krone	9¼-8¾	9¼-8⅞	9¼-9⅛	9⅜-9⅛	9½-9¼	9⅞-9⅝
Asian $Sing	6⅝-6½	6⅝-6½	6⅝-6½	6⅞-6⅝	7-6⅞	7⅜-7¼

Long term Eurodollars: two years 8⅛-7⅞ per cent; three years 8⅜-8⅛ per cent; four years 8⅝-8⅜ per cent; five years 8¾-8½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Mar.18	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.821	3.090	233.8	10.50	2.558	3.468	2285	2.275	64.55
$	0.549	1	1.697	128.4	5.766	1.405	1.904	1255	1.249	35.45
DM	0.324	0.589	1	75.66	3.398	0.828	1.122	739.5	0.736	20.89
YEN	4.277	7.789	13.22	1000.	44.91	10.94	14.83	9773	9.731	276.1
F Fr.	0.952	1.734	2.943	222.7	10.	2.436	3.303	2176	2.167	61.48
S Fr.	0.391	0.712	1.208	91.40	4.105	1	1.356	893.3	0.889	25.23
H Fl.	0.288	0.525	0.891	67.42	3.028	0.738	1	658.4	0.656	18.61
Lira	0.438	0.797	1.352	102.3	4.595	1.119	1.518	1000.	0.996	28.25
C $	0.440	0.800	1.358	102.8	4.615	1.124	1.524	1004	1	28.37
B Fr.	1.549	2.821	4.787	362.2	16.27	3.963	5.373	3540	3.524	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

MONEY MARKETS

UK rates slightly lower

ATTENTION FOCUSED on the performance of the pound in yesterday's money market. As it turned out, profit taking ahead of the weekend effectively removed any immediate downward pressure on interest rates.

UK money supply and bank lending figures were better than expected, which took some of the steam out of recent fears thet the economy was in danger of overheating.

However there was soma doubt as to how the better than expected figures altered the Chancellor's options on interest rate cuts. *Mr Chris Tinker, economist at* Phillips and Drew, suggested that the scope for lower rates remained limited but thet the money supply data made it a little easier to accept this week's cut in base rates.

Three-month interbank money was quoted at $8\frac{11}{16}$-$8\frac{9}{16}$ p.c. down from $8\frac{13}{16}$-$8\frac{11}{16}$ p.c. on Thursday. Weekend money opened at 8¾-8½ p.c. and touched a low of 7½ p.c. before moving up to a peak of 9½ p.c. Late balances were bid at 9 p.c.

The Bank of England forecast a shortage of around £650m, with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £255m and Exchequer transactions taking a further £160m. There was also a rise in the note circulation of £315m. These were partly offset by banks' balances brought forward £80m above target.

The forecast was revised to a shortage of around £600m and the Bank gava assistance in the morning of £167m through outright purchases of £131m of eligible bank bills in band 1 at 8⅜ p.c. and £36m in band 2 at 8⅜ p.c.

Further assistance in the afternoon came to £188m through outright purchases of £69m of Treasury bills and £119m of eligible bank bills in band 1 at 8⅜ p.c. Late assistance came to £110m, making a total of £465m.

After the cut in base rates, the average rate of discount at the weekly Treasury bill tender was down to 8.1293 p.c. from 8.5658 p.c. The £100m of bills on offer attracted bids of £717m against £394m for a similar amount the week before

UK clearing bank base lending rate
8½ per cent
from March 17

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar 18) 3 months US dollars		6 months US Dollars	
bid 6⅞	offer 6⅞	bid 6¾	offer 7

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK
(Lunchtime)

Prime rate	8½
Broker loan rate	7½
Fed. funds	6⅞
Fed. funds at intervention	-

Treasury Bills and Bonds

One month	5.15	Three year	7.38
Two month	5.50	Four year	7.63
Three month	5.78	Five year	7.79
Six month	6.01	Seven year	8.09
One year	6.56	10-year	8.30
Two year	7.17	30-year	8.55

Mar.18	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.25-3.30	3.30-3.45	3.30-3.45	3.35-3.50	3.35-3.55	4.50
Paris	7⅛-7¼	7⅝-7¾	8-8⅛	8⅛-8¼	8¼-8⅜	7.25
Zurich	⅛-⅜	1⅛-1⅜	-	1⅜-1⅝	-	-
Amsterdam	4-4¼	3⅞-4⅛	-	4-4¼	-	-
Tokyo	3.59375	3.90625	-	3.90625	-	-
Milan	10¼-10¾	11½-12	-	11¼-11¾	-	-
Brussels	6.70	6-6¼	-	6⅛-6⅜	-	-
Dublin	8¼-8½	8¼-8½	8¼-8½	8⅜-8⅝	8½-8¾	-

LONDON MONEY RATES

Mar.18	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	9½	8¾	8⅝	8¾	8¾	9⅛
Interbank Bid	7¾	8½	8½	8⅝	8⅝	9
Sterling CDs	-	-	8½	8⅝	8⅝	8⅞
Local Authority Deps.	8½	8½	8½	8⅝	8¾	8⅞
Local Authority Bonds	-	-	8¾	8⅞	9⅛	9⅛
Discount Mkt Deps.	8½	8½	-	-	-	-
Company Deposits	8½	8½	8½	8¾	8¾	9⅛
Finance House Deposits	-	-	8⅝	8⅝	8¾	9⅛
Treasury Bills (Buy)	-	-	8⅜	8¼	-	-
Bank Bills (Buy)	-	-	8⅜	8⅜	8⅜	-
Fine Trade Bills (Buy)	-	-	8⅝	8⅝	8⅝	-
Dollar CDs	-	-	6.70-6.65	6.75-6.70	6.95-6.90	7.10-7.05
SDR Linked Dep Offer	-	-	5⅞	6	6¼	6⅜
SDR Linked Dep Bid	-	-	5⅝	5¾	5⅞	6⅛
ECU Linked Dep Offer	-	-	6⅜	6½	6⅝	6⅞
ECU Linked Dep Bid	-	-	6¼	6⅜	6½	6¾

Treasury Bills (sell); one-month 8¼ per cent; three months 8¼ per cent; Bank Bills (sell); one-month 8¼ per cent; three months 8⅛ per cent; Treasury Bills; Average tender rate of discount 8.1293 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day February 29, 1988. Agreed rates for period March 26, 1988 to April 25, 1988, Scheme I: 10.45 p.c.. Schemes II & III: 10.56 p.c. Reference rate for period Jan 30, 1988 to February 29, 1988, Scheme IV: 9.267 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 9½ from March 1, 1988: Bank Deposit Rates for sums at seven days notice 3-3½ per cent, Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7½ per cent; one-three months 8¼ per cent; three-six months 8¼ per cent; six-nine months 8½ per cent; nine-twelve months 8½ per cent; Under £100,000 7½ per cent from Jan 26, 1988. Deposits withdrawn for cash 5.00 per cent.

LONDON STOCK EXCHANGE

Strong rise in equities but Gilts nervous

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 7	Mar 17	Mar 18	Mar 28
Mar 21	Apl 7	Apl 8	Apl 18
Apl 11	Apl 21	Apl 22	May 3

*New time dealings may take place from 9.00 am two business days earlier.

FINANCIAL TIMES STOCK INDICES

	Mar. 18	Mar. 17	Mar. 16	Mar. 15	Mar. 14	Year Ago	1987/88 High	1987/88 Low	Since Compilation High	Since Compilation Low
Government Secs	90.30	90.51	90.53	91.03	90.76	92.04	93.32 (8/5/87)	83.73 (29/10/87)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.49	97.68	97.57	97.47	97.21	97.89	99.12 (15/6/87)	90.23 (2/1/87)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1476.8	1459.1	1455.9	1470.4	1460.0	1998.9	1926.2 (16/7/87)	1232.0 (9/11/87)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	240.9	244.2	246.8	243.0	245.3	362.4	497.5 (4/8/87)	234.0 (29/2/88)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				
Earnings Yld. % (full)	11.18	11.31	11.33	11.23	11.30	8.48				
P/E Ratio (net)(*)	10.91	10.78	10.76	10.86	10.79	14.46				
SEAQ Bargains (5pm)	40,559	31,986	30,600	27,409	27,592	57,786				
Equity Turnover (£m)	-	1127.39	1166.81	897.49	1076.66	1487.4				
Equity Bargains	-	35,514	31,626	31,867	31,425	68,578				
Shares Traded (ml)	-	472.0	499.1	390.6	425.3	673.2				

S.E ACTIVITY

Indices	Mar.17	Mar.16
Gilt Edged Bargains	157.0	136.5
Equity Bargains	230.1	204.9
Equity Value	2278.7	2358.4
5-Day average		
Gilt Edged Bargains	141.2	133.9
Equity Bargains	213.5	208.8
Equity Value	2413.7	2621.5

♥ Opening	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1472.2	1473.4	1473.3	1475.5	1475.8	1475.8	1476.0	1476.5

Day's High 1477.5 Day's low 1470.9

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974. * Nil=10.80.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

THE UK EQUITY market turned in a strong performance yesterday in what appeared to be its first, considered response to this week's UK Budget. International institutions bought the blue chip stocks as the pound eased back from its recent peaks. Technical positions in the market improved as traders finished clearing out tha "bull" positions built up ahead of Budget Day.

However, inter-marketmaker business again played a significant role. Statistics prepared by Salomon Bros, the US securities house, indicated that cash input from the institutions was only £9m yesterday, against £10.3m on Thursday and £34.7m on Wednesday.

Gilts remained the Achilles Heel of the London market. Long-dated bonds ended with small losses after abandoning early gains, despite general satisfaction with the the announcement that UK sterling bank lending rose by only £2.6bn in February, about £1bn less than market forecasts.

The markets are still confused over the outlook for the pound and domestic interest rates and both investors and traders appeared to be hedging their bets yesterday.

When sterling moved above DM 3.10 in early trading, equities rose strongly on hopes of another cut to UK bank base rates. However, when the pound later slipped back to DM 3.09, this was taken as a a signal for the institutions to pick up stock to such international favourites as ICI, British Petroleum and Shell.

The FT-SE 100 Index, which had already gained 25 points by mid-afternoon, closed with a further flourish as the new trading Account opened - although the new Account covers three weeks, traditionally an unpopular time span for the professionals.

At the close, the FT-SE was a net 27.4 points up at 1855.5, for a rise of 45 points over a week which has brought both the UK Budget and a half point cut in UK base rates.

The index has now recovered much of the ground lost since the Big Crash, but is still a fair step short of its pre-Crash level of 2301. Several leading securities houses predict that the market could return to the 1900-2000 FT-SE range, but there are doubts over the longer term outlook. Warburg Securities warned yesterday that the equity market is "overheld by institutions" which are likely to cut market exposure in the next 6 - 9 months.

The early firmness in the pound put ⅜ of a point on Gilts, at first, with the buying pressure, significantly, reflecting switching from the long dates and towards the shorts, which would respond readily to a further rate cut.

The move towards the short end of the range brought demand *for this week's newly-tendered* tap stock, £800m of Treasury '94, which was quickly bought out from the Bank at £50⅛, the stock being partly-paid at £50.

But there was no follow-through in the shorts, and the longs met renewed selling pressure towards the close, and *ended with net falls of ⅜ of a* point.

The market is now once again without a tap and, with the authorities in no need of funding, this situation may continue until the Bank sees any need to excercise greater control over the market.

Index-linked Gilts continued to show a muted response to the Budget measures. Prices were marked up at first but support failed to materialise and by the close, prices were little changed on the day.

BP, where activity has fallen off over the past few days, returned to prominence with 15m apiece of the "old" and "new" shares changing hands. Buying of both classes of stock gathered momentum throughout the day and was carried out by the same firm known to have bought aggressively for the Kuwaiti Investment Office in the previous week when the KIO stake was lifted to around 22.068 per cent.

P & O were stymied by a sizeable early share deal and showed little change on the session at 593p. Hoare Govett, the securities house, bought 2.6m shares at 588p and smoothly placed the stock at only a minimal profit. However, a transaction of that size a few days ahead of the annual results, due on Tuesday, *raised a few eyebrows and* quashed investment incentive.

Estimates of the group's likely profits range from £255m to £265m and County NatWest, for one, is confident that the latter figure can be reached. Astute management, coupled with improving trends in many of P & O's businesses accompany County NatWest's favourable assessment.

A persistent flow of buying orders for the big four banks produced good gains to the sector; the biggest turnover came in Lloyds where in excess of 4m shares were traded and the share price added 8 at 281p.

Life assurances continued their post-budget advance with Legal and General spearheading the latest upsurge after an extremely positive Press response to their preliminary figures; the stock was additionally boosted by a "buy" recommendation from Kitcat & Aitken's Paul Hodges who forecasts dividend growth of 20 per cent per annum over the next three to four years.

Commercial Union jumped 8 more to 349p on turnover of 2.8m shares after reports of an imminent doubling of US motor insurance premiums; there were also whispers in the market that the share stakes held by John Spalvin's Adsteam, believed to be around 5 per cent, and that of Robert Holmes a Court's Dewey Warren, thought to be in the region of 2 per cent, could soon be changing hands.

Broker Derek Bryant suffered from another flurry of selling pressure and dropped 17 more to 98p for a two-day slump of 25.

Investors continued to fight shy of Brewery shares, ignoring advice why tha sector should continue to outperform the rest of the market. Morgan Grenfell lists several reasons for this in its latest Drinks Monitor, and include the lenient treatment on excise taxes, continuing strong consumer demand and the below-average PERs of most national groups. The security house rates Bass, up 8 at 868p, as the best "buy" and is also keen on Whitbread "A". The latter hardened to 317p and were unaffected by the group's purchase of Breadsall Priory via the issue of new shares. Scottish & Newcastle became popular again as recent speculation of stake-building exercises resurfaced, rising 7 to 284p during turnover of 2.3m shares. *Irish Distillers advanced* 7 to 222p.

Institutional buyers moved in for quality Building stocks following Thursday's base rate cut. Tarmac were a particularly firm market at 264p, up 9, while BPB Industries rose 7 to 292p. Rugby attracted support ahead on Monday's *preliminary figures and* put on 10 to 260p, and Redland, boosted by some keen buying from securities house Phillips and Drew, gained 14 to 442p. Costain were excited by news that Trafalgar House had increased its stake to 6.5 per cent and advanced 9 to 327p. Barratt Developments, too, were in demand and put on 7 to 207p; the interim results are dua next Wednesday. Magnet, dull since the Chancellor's decision to end tax relief on loans for house improvements, rallied 11 to 247p.

ICI edged forward helped by currency factors to close 8 higher at 1058p.

The influx of "genuine investment money" continued in the stores sector although there were suspicions of a minor stock shortage, dealers said. Amid a general advance Ratners were particularly sought and raced up to 270p before closing a net 17 higher at 266p.

Woolworth initially moved up to 310p but later fell to close a shade off at 305p ahead of Wednesday's preliminary results which *Kleinwort Grieveson* estimate will come out around 30 per cent higher at £142m. Drug store group Underwoods, long-regarded as a prime bid target spurted 19 to 140p on substantial "new-time" buying.

The electronics sector remained one of the market's most active areas with Ferranti attracting turnover of 10m and settling a shade firmer at 85p ahead of Wednesday's major presentation to analysts to be held in Manchester and also amid vague stories of a possible stake-building operation and eventual bid. STC, 8 up at 249p, were mentioned as a potential bidder for Ferranti.

Thorn EMI jumped 21 to 624p after Chase Manhattan Securities issued a "strong buy" recommendation and increased their forecast for the company's end-March 1988 profits to £225m and for the following year to £288m.

A heavy business in the Traded options market contributed to the general activity in Rolls-Royce which settled 2 firmer at 130p in a volume of some 11m shares. Elsewhere in the Engineers, interest revived in McKechnie, 15 to the good at 356p, and Thomas Robinson, 16 higher at 475p.

Food shares were broadly higher, Rowntree rising 11 to 471p despite a luke-warm Press response to the annual results. Cadbury Schweppes improved 4 to 270p and United Biscuits, a dull performer recently in the wake of results and acquisition news, edged up a couple pence to 256p. Booker, preliminary results due on Monday, advanced 12 to 409p.

Sentiment in the International stocks took a distinct turn for the better in the wake of an easier trend in sterling and the overnight advance on Wall Street. A favourable response to the preliminary figures generated fresh interest in BTR which moved ahead in active trading (some 8.9m shares changed hands) to close 7 higher at 269p. Hanson, which announced the sale of the Ross Young's frozen foods business to United Biscuits for £335m cash earlier in the week, were also briskly traded (11m) before settling a few pence firmer at 139p. Wellcome rallied 9 to 469p, but Glaxo, the subject of US selling after a small initial improvement, resisted tha trend and closed a few pence lower at 1082p.

Reuters, a US favourite, moved ahead smartly to finish 20 to the good at 548p; the company announced an arrangement with S.G. Warburg for a £150m multiple option facility yesterday. Further demand for Redfearn, up 22 more at 533p, following the sudden change in chairmanship announced earlier this week gave rise to takeover talk. BAA were active in the wake of the recent good traffic figures and closed a shade better at 119p in a volume of some 7.2m. *British Airways*, 5 up at 178p, also attracted a fair amount of attention. Cookson, scheduled to reveal preliminary figures next Thursday, edged up 3 to 572p; BZW analysts are looking for pre-tax profits of around £145m compared with £94.5m. Granada met with occasional support and improved 9 to 339p, while London International, boosted recently by talk that it is about to sell its Royal Worcester Spode division, revived with a gain of 8 at 291p.

LWT became the second TV group to reveal disappointing results this week behind those of HTV; LWT dipped to 136p on the news before closing a net 6 down at 139p. HTV, after Thursday's fall of 14, finished a shade dearer at 243p.

Lucas Industries led Motor shares out of their pre-Budget doldrums, gaining 13 to 628p ahead of Thursday's interim results. Lex Service similarly revived, rising 8 to 349p, but Jaguar struggled to improve and closed only a shade higher at 307p. Distributors featured a surge in Western Motor, up 19 at 498p, and firmness in Jessups, 15 higher at 170p.

Saatchi & Saatchi were heavily bought by BZW, which believes the stock is trading at a discount to tha Agency sector, and rose 17 to 449p. Lowe Spink-Howard, whose merits have been widely publicised since the annual figures, responded finally to yet another "buy" recommendation. This time the advice was from Morgan Grenfell, on the grounds that "rebuilding the profitability of the recently acquired businesses should prove a low-risk investment opportunity". The shares jumped 16 to 407p. WPP were another strong mover, advancing 21 to 555p while Lopex gained 12 to 190p. Elsewhere, Ferguson Industrial moved 11 higher to 293p while Watmoughs, still reflecting the impressive results and scrip issue, improved 5 further to 410p. Reed International rallied 9 to 427p with other international stocks.

Leading Properties rounded off a good week in impressive fashion although turnover was somewhat lower. The leaders, still responding to the Capital gains Tax changes detailed in the Budget, made fresh progress with *Land Securities rising 3 more to* 540p and MEPC gaining 8 afresh to 527p. Great Portland Estates were unchanged at 314p, after 313p, as Cazenove, on behalf of the company, placed 4m shares at 305p to partly finance a £16m London property purchase.

John Crowther, the textile manufacturer, raced higher late on the approach from a third party which may or may not lead to an offer for the company. Immediately after the news, the shares touched 182p bid but they eventually settled 32 up at 175p.

The London Traded Options market saw increased volume. Rolls-Royce, with 7,880 calls and 4,000 puts, accounted for about a quarter of the business, but Hanson, which registered 3,547 calls and 2,802 puts were also active. Cons Gold, *BT* and *BP all* attracted to excess of 1,000 calls, while Beecham registered just over 1,000 puts. The FTSE contract drew 1,567 calls and 1,287 puts. The total number of contracts was 43,327.

Traditional Options

- First dealings Mar 14
- Last dealings Mar 25
- Last declarations June 16
- For Settlement June 27

For rate indications see end of London Share Service

Interest in the Traditional option market remained at a reasonably high level. Stocks to attract money for the call included Wheway, Premier Consolidated, Dares Estates, Wilson (Connolly) Holdings, Kentish Property, Blacks Leisure, Normans Group, Powerscreen, Tusker, Underwoods, Helical Bar, North Kalgurli, Jaguar, Brown and Jackson, Scottish and Newcastle and Peek Holdings. No put options were reported, but doubles were arranged in British Petroleum partly paid and Peek Holdings.

LONDON TRADED OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons (*379)	330	55	60	67	3	8	9
	360	26	37	47	9	18	22
	390	10	23	30	20	33	38
Brit. Airways (*177)	140	38	40	43	1	5	9
	160	19	22	28	3	10	15
	180	6	12	18	10	19	25

Option		Calls May	Calls Aug	Calls Nov	Puts May	Puts Aug	Puts Nov
LASMO (*332)	300	40	50	62	14	20	25
	330	22	35	47	26	35	37
	360	12	-	-	48	-	-
P. & O. (*593)	550	52	72	87	18	20	30
	600	25	42	57	37	47	50
	650	9	-	-	72	-	-

March 18 Total Contracts 43,327 Calls 23,976 Puts 19,351
FT-SE Index Calls 1567 Puts 1287
*Underlying security price.

NEW HIGHS AND LOWS FOR 1987/88

NEW HIGHS (18)

[illegible]

LONDON STOCK EXCHANGE

DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ♦ Bargains done the previous day. Δ Bargain done with non-member or executed in overseas markets.

Corporation and County Stocks No. of bargains included2

Greater London Council 6¼% Stk 90/92 - £91½ 3¼ ½ (16Mr88)
Birmingham District Council 11½% Red Stk 2012 - £109 (11Mr88)
Bristol Corp Deb Stk (3½%) - £30 (11Mr88)
Leeds(City of)13½% Red Stk 2006 - £128 (11Mr88)
Salford Corp 5½% Red Stk 89/88 - £97⅞ ⅞ 0 0 (15Mr88)
Swansea(City of)13¾% Red Stk 2006 - £126 (11Mr88)

UK Public Boards No. of bargains included4

Agricultural Mortgage Corp PLC 5½% Deb Stk 93/95 - £89½ (16Mr88)
6¾% Deb Stk 92/94 - £81
6½% Deb Stk 85/90 - £91½ (16Mr88)
7¼% Deb Stk 91/93 - £89⁹⁄₁₆ 90 (15Mr88)
10¼% Deb Stk 92/95 - £100¾
Clyde Port Authority 3% Irrd Stk - £20 (11Mr88)
4% Irrd Stk - £28 (11Mr88)
Forth Ports Authority 3½% Funded Debt - £21
Port of London Authority 3% Port of London A Stk 29/99 - £50 (15Mr88)
6½% Reg Stk 87/90 - £92½ 3½ (15Mr88)
Scottish Agric Sec Corp 5¼% Deb Stk 86/88 - £97¾ ⅛ (15Mr88)
7¾% Deb Stk 90/92 - £90 (16Mr88)
10¼% Deb Stk 89/91 - £98¼♦

Commonwealth–Government No. of bargains included nil

South Australian 3% Cons Ins Stk 1916(or after) - £27 (11Mr88)
Southern Rhodesia 6% Stk 78/79(Unassented) - £210 (11Mr88)

Foreign Stocks, Bonds, etc–(coupons payable in London) No. of bargains included4

Greece.(Kingdom of)Monopoly 4% 1887 Stlg Fdg Bds of 1965 - £63 (14Mr88)
4% Rentes 1889 Stlg Fdg Bds of 1965 - £69 (14Mr88)
Spain(Govt of)4%(Sealed Bds) - £30♦
Abbey National Building Society 8¾% Bds 1993 - £99.45 (14Mr88)
10½% Bds 1993 - £102 (15Mr88)
BTR PLC 4¾% Cnv Sub Bds 1995(Br£C1000&10000) - £C108¾
Blue Circle Industries PLC 8¾% Subord Cnv Bds 2002 - £112½♦
British Telecommunications PLC 9¾% Nts 1993 - £98⅞ (14Mr88)
Burton Group PLC 4¾% Cnv Bds 2001 (Br£1000&5000) - £108 (15Mr88)
Cadbury Schweppes PLC 8% Cnv Bds 2000 - $235 (14Mr88)
Canadian Imperial Bank of Commerce 16¾% Debs 15/10/91 - $105 (16Mr88)
Consolidated Gold Fields PLC 6¾% Cnv Subord Bds 2002(Br£1000&5000) - £102½ 3½ (11Mr88)
Costain Group PLC Dep Wts to procure sub of Ord Shs - 35½ (11Mr88)
DRG PLC 6¾% Subord Cnv Bds 2002 - £98 (16Mr88)
Dow Chemical Co Zero Cpn Nts 30/5/87 - £41⅞ ½ (15Mr88)
Export-Import Bank of Japan 13¾% Gtd Nts 1991 - $112⅞ (14Mr88)
Financiering Mij B Oranjeboom BV 11½% Gtd Bds 1991 - $107½♦
General Motors Acceptance Corp 7¾% Nts 3/8/91 - $98½ ¾ (14Mr88)
Goodman Fielder (UK) PLC 5% Gtd Subord Cnv Bds 1997 - £95½ ¾ (15Mr88)
Halifax Building Society 9¾% Ln Nts 1993 - £98¾ 9½ (14Mr88)
10½% Nts 1997 - £100¾
Hillsdown Hldgs PLC 4½% Cnv Bds 2002 - £109♦ ¾♦
Inter-American Development Bank 11¾% Bds 1991 - £104¾ (15Mr88)
International Bank for Rec & Dev 9¾% Bds 2007 (Br£5000) - £94½ ¾ (15Mr88)
10¾% Nts 1999 (Br£5000) - £108¾ (11Mr88)
Land Securities PLC 9¾% Bds 2007 - £90¾ (16Mr88)
6¾% Cnv Bds 2002 - £97½♦
Leeds Permanent Building Society Fltg Rate Nts 1994 (Br£5000&50000) - £99.92 (16Mr88)
Lloyds Bank PLC 10¾% Subord Bds 1998(Br£10000) - £98⅛ (14Mr88)
Marks & Spencer Finance PLC 9¾% Gtd Nts 1993 - £100¾ (16Mr88)
Mitsubishi Corporation 10¾% Nts 1995 - $105¾ (16Mr88)
National Westminster Bank PLC 9% Deposit Nts 1992 - £98½ (11Mr88)
Next PLC 8¾% Cnv Bds 2003 - £153¾
0¾% Cnv Bds 2002 - £118♦
Orient Leasing Co Ld 13% Gtd Bds 1989 - $103¾ (14Mr88)
Pearson PLC Zero Cpn Bds 1992(Br£1000&5000) - £67¾ (15Mr88)
Ranks Hovis McDougall PLC 4¾% Cnv Bds 2003 (Br£5000) - £109 (15Mr88)
Ratners Group PLC 4% Cnv Bds 2002 (Br£5000) - £95¾ (16Mr88)
Royal Insurance PLC 10¾% Nts 1992(Br£5000) - £103 (11Mr88)
Royal Trustco Ld 12¾% Bds 1989 - £101¾ 2 (14Mr88)
Smith & Nephew Associated Cos PLC 4% Cnv Bds 2002 - £105½ 6¼ (14Mr88)
Smith(W.H.)& Son(Hldgs) PLC 7¼% Subord Cnv Bds 2002 - £103½♦ 4♦
Storehouse PLC 4¾% Cnv Subord Bds 2001(Br£5000) - £101¾ (11Mr88)
Tesco PLC 4% Cnv Bds 2002(Br£1000&5000) - £110¾♦
Woolwich Equitable Building Society 9¾% Nts 1992 (Br£5000) - £97⅝ (11Mr88)

Sterling Issues by Overseas Borrowers No. of bargains included51

Asian Development Bank 10¾% Ln Stk 2009(Reg) - £103½
Australia(Commonwealth of) 9½% Ln Stk 2012(Reg) - £95 (16Mr88)
11¾% Ln Stk 2015(Reg) - £111½
Bank of Greece 10¾% Ln Stk 2010(Reg) - £95¾ ½ 6¼
Caisse Centrale De Cooperation Econ 12¾% Gtd Ln Stk 2013(Reg) - £121½ (14Mr88)
Caisse Nationale Des Autoroutes 16% Gtd Ln Stk 2006 - £148¾
Cigna Overseas Finance NV 13% Uns Ln Stk 2003 - £117¾ (14Mr88)
Credit Foncier De France - £102¾ 3½ (14Mr88)
14¾% Gtd Ln Stk 2007(Reg) - £139⅛ (16Mr88)
Denmark(Kingdom of) 16% Ln Stk 2005 - £121¾
Electricite de France 12¾% Gtd Ln Stk 2008(Reg) - £121¾
11¾% Gtd Ser Ln Stk 2009/12(Reg) - £110¾ (16Mr88)
European Investment Bank 9% Ld Stk 2001 (Reg) - £93½ 4¼ ½ ¾ (16Mr88)
10¾% Ln Stk 2004(Reg) - £105¾♦
11% Ln Stk 2002(Reg) - £110¾♦
Finland(Republic of) 11¾% Ln Stk 2009(Reg) - £112¾ ½ 3½
Hydro-Quebec 12.75% Ln Stk 2015 - £122¾ 3 (16Mr88)
15% Ln Stk 2011 - £139¾ (16Mr88)
Inco Ld 15¾% Uns Ln Stk 2008 $ Rep Opt - £132 ¾
Inter-American Development Bank 9¾% Ln Stk 2010 - £97¾ 8¼ ½ ¾ ¾
International Bank for Rec & Dev 9¾% Ld Stk 2010(Reg) - £98¾ ¾ ½ ¾ ¾ (15Mr88)
11.5% Ln Stk 2003 - £113¾ ¾ 4
Ireland 12¾% Ld Stk 2008(Reg) - £117½ ¾
Malaysia 12¾% Ln Stk 1998(Reg) - £100¾
Montreal(City of) 3% Perm Deb Stk - £27 (15Mr88)
New Zealand 11¾% Stk 2008(Reg) - £109¾
11¾% Stk 2014(Reg) - £111¾ 2 ¾
Nova Scotia(Province of) 11¾% Ln Stk 2019 - £113¾
16¾% Ln Stk 2011 - £154¾♦
Petroleos Mexicanos 14¾% Ln Stk 2006 - £89 (11Mr88)
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £86¾ ⅞ ¾ ¾
Province de Quebec 12¾% Ln Stk 2020 - £119¾ ¾ (15Mr88)
Spain(Kingdom of) 11¾% Ln Stk 2010(Reg) - £113¾ ¾ ¾
Sweden(Kingdom of) 9¾% Ln Stk 2014(Reg) - £97¾
11% Ln Stk 2012(Br) - £109¾ (14Mr88)
13.5% Ln Stk 2010(Reg) - £129¾ ¾ (16Mr88)
Trinidad & Tobago(Republic of) 12¾% Ln Stk 2009(Reg) - £101¾ ¾
United Mexican States 16¾% Ln Stk 2008(Reg) - £104 (15Mr88)

Banks and Discount Companies No. of bargains included1238

Ansbacher(Henry)Hldgs PLC 9% Cnv Subord Ln Stk 1996 - £103
Bank of Ireland(Governor & Co of) 7% Ln Stk 86/91 - £81 £84 (14Mr88)
Barclays Bank PLC 7¼% Uns Cap Ln Stk 86/91 - £91½
8¼% Uns Cap Ln Stk 88/93 - £90 2½ 3 ¾
12% Uns Cap Ln Stk 2010 - £113¾♦ ¾♦
16% Uns Cap Ln Stk 2002/07 - £138¾♦
Hambros PLC Non Vtg £1 - 55 (11Mr88)
Hill Samuel Group PLC 8% Uns Ln Stk 89/94 - £88¾
Lombard North Central PLC 5% Cum 1st Prf £1 - 60 (14Mr88)
Midland Bank PLC 7½% Subord Uns Ln Stk 88/93 - £89 (14Mr88)
10¾% Subord Uns Ln Stk 93/98 - £102
14% Subord Uns Ln Stk 2002/07 - £123⅝ 4¾ (15Mr88)
National Westminster Bank PLC ADR (3:1) - $31¾ (15Mr88)
7% Cum Prf £1 - 65 6
9% Subord Uns Ln Stk 1993 - £97¾ 8¼
12½% Subord Uns Ln Stk 2004 - £116¾
Schroders PLC 8¾% Uns Ln Stk 97/2002 - £88¾ (14Mr88)
Standard Chartered PLC 12¾% Subord Uns Ln Stk 2002/07 - £111¾ (16Mr88)
TSB Group PLC Ord 25p - 107.8 & .3910 ¾ 9 9 ¾ ½ ¾ 10 10 10‡
Warburg (S.G.) Group PLC 7¾% Cum Prf £1 - 100 (15Mr88)
Wintrust PLC 10¾% Cum Prf £1 - 127 (11Mr88)

Breweries and Distilleries No. of bargains included577

Allied-Lyons PLC 5½% Cum Prf £1 - 50 (14Mr88)
7½% Cum Prf £1 - 72 (15Mr88)
5% Red Deb Stk 85/90 - £78
6¾% Red Deb Stk 84/89 - £90♦
6¾% Red Deb Stk 87/92 - £86
7¼% Red Deb Stk 88/93 - £89
11¾% Deb Stk 2009 - £114
5¾% Uns Ln Stk - £46
6¾% Uns Ln Stk - £53 (11Mr88)
7¾% Uns Ln Stk - £68
7¾% Uns Ln Stk 93/98 - £87¾ 8
Bass PLC 4% Cum Prf £1 - 36½♦
7% Cum Prf £1 - 65♦
8¾% Deb Stk 87/92 - £92 (14Mr88)
8¾% Deb Stk 87/92 - £94 ¾ 5¾
4½% Uns Ln Stk 92/97 - £86 (15Mr88)
7¾% Uns Ln Stk 92/97 - £88 (16Mr88)
Bass Investments PLC 6% Uns Ln Stk 85/90 - £91 (16Mr88)
7¾% Uns Ln Stk 92/97 - £86
Boddington Group PLC 9½% Cnv Uns Ln Stk 2000/05 - £150
Bulmer(H.P.)Hldgs PLC 8¾% Cum Prf £1 - 120 (16Mr88)
8¾% 2nd Cum Prf £1 - 110
Greenall Whitley PLC "A" Ord 5p - 138
8% Cum Prf £1 - 101
7¾% Deb Stk 87/92 - £88 (14Mr88)
8¾% Irrd Uns Ln Stk - £77¾ (14Mr88)
Guinness PLC ADR (5:1) - $29¾
Hardys & Hansons PLC Ord 25p - 870
Mansfield Brewery PLC Ord £1 - 440 (11Mr88)
Scottish & Newcastle Breweries PLC 6¾% Cum Prf £1 - 56 7 (11Mr88)
7% Cnv Cum Prf £1 - 138
8% 1st Mtg Deb Stk 84/89 - £95¾ (15Mr88)
7¾% 1st Mtg Deb Stk 89/94 - £85 (15Mr88)
Seagram Distillers PLC 12¾% Deb Stk 2012 - £118¾ (14Mr88)
South African Breweries Ld 7% Red Cum Prf R1 - 15 (15Mr88)
Thwaites(Daniel) PLC 5% 1st Cum Prf £10 - 450♦
Vaux Group PLC 4½% A Cum Prf £1 - 43¾ (11Mr88)
9.875% Deb Stk 2015 - £98¾ ¾ (15Mr88)
Watney Mann & Truman Hldgs PLC 3¾% Irrd Deb Stk - £35¾♦
7% Red Deb Stk 88/93 - £86
10¾% Red Deb Stk 90/95 - £101¾
12¾% Red Deb Stk 2008 - £117¾♦
6% Uns Ln Stk 90/95 - £90¾
Whitbread & Co PLC B Ord 25p - 320
5½% 3rd Cum Prf Stk £1 - 51 (14Mr88)
6% 3rd Cum Prf Stk £1 - 52 (11Mr88)
7% 3rd Cum Prf Stk £1 - 65 (11Mr88)
7¾% Uns Ln Stk 86/91 - £91 (16Mr88)
7¾% Uns Ld Stk 95/99 - £84 ¾
7¾% Uns Ld Stk 96/2000 - £75 (11Mr88)
10¾% Uns Ln Stk 2000/05 - £102¾ (15Mr88)
5¾% Irrd Uns Ln Stk - £47 (14Mr88)
Whitbread Investment Co PLC Ord 25p - 310 10 20
8¾% Deb Stk 87/92 - £89 (16Mr88)
Young & Co's Brewery PLC 9% Cum Prf £1 - 110 (16Mr88)

Commercial, Industrial, etc No. of bargains included18260

AAH Hldgs PLC 4.2% Cum Prf £1 - 54 (14Mr88)
ADT Ld ADR (10:1) - $21 .05 .1
AGA Aktiebolag Non-Restricted Series "B" Sk25 - £181 182 182 183¾ 185
AGB Research PLC 6.2% Cnv Prf £1 - 100 ¾ 1
AMEC PLC 15% Uns Ln Stk 1992 - £114¾ (16Mr88)
AMI Healthcare Group PLC New Ord 20p(Fp/LA-8/4/88) - 262 0
Ace Belmont International PLC 10% Cum Prf £1 - 124 5
Alba PLC Ord 10p - 107
Albion PLC Ord 20p - 100
9% Deb Stk 87/92 - £91¾♦
Alcan Aluminium Ld Com Shs of Npv - £15.7
Alexanders Hldgs PLC "A"(Rst.V)Ord 10p - 22 (16Mr88)
Amari PLC 8% Cum Cnv Red Prf £1 - 118
Appletree Hldgs PLC Ord 10p - 175 80 (16Mr88)
Arcolectric(Hldgs) PLC Ord 5p - 110 (15Mr88)
Argyll Group PLC Warrants to sub for Ord - 255
Arlen PLC 11¾% Cnv Uns Ln Stk 1990 - £130
Armstrong Equipment PLC 6¾% Cum Prf £1 - 55 (15Mr88)
Aspray PLC 6¾% Cum Prf £1 - 125¾ (15Mr88)
Associated British Foods PLC 5% Cum Prf £1 - 58 (11Mr88)
6¾% Uns Ln Stk 87/2002 50p - 29 (16Mr88)
7¾% Uns Ln Stk 87/2002 50p - 36 (16Mr88)
Associated Fisheries PLC 8¾% Uns Ln Stk 91/96 - £86 (14Mr88)
Associated Leisure PLC 7½% Uns Ln Stk 89/94 - £88
Astra AB Free "B" Shs SK12.50 - £212¾♦
Astra Holdings PLC Ord 0p - 37 7 ¾ & ¾ ¾ ¾ 9 9‡ ¾ ¾‡
Aukett Associates PLC New Ord 5p (Fp/LA-15/4/88) - 104
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 147
Automotive Products PLC 3.5% Cum Prf £1 - 49 (11Mr88)
9% Cum Prf £1 - 110
Ayrshire Metal Products PLC Ord 25p - 82
B.A.T Industries PLC ADR (1:1) - $8.2191 ¾ ¾ ¾ .405937 (15Mr88)
B.A.T. Investments PLC 10% Uns Ln Stk 90/95 - £98 (15Mr88)
10¾% Uns Ld Stk 90/95 - £102¾
BICC PLC 6% 1st Cum Prf Stk £1 - 58¾ (11Mr88)
5¾% 2nd Cum Prf Stk £1 - 53¾ (11Mr88)
7% Deb Stk 85/90 - £90♦
7¾% Deb Stk 90/95 - £90¾♦
BOC Group PLC 2.8% Cum 2nd Prf £1 - 38¾ (14Mr88)
3.5% Cum 2nd Prf £1 - 45 (16Mr88)
12¾% Uns Ln Stk 2012/17 - £110 ¾ (14Mr88)
B.S.G.International PLC 7% 1st Mtg Deb Stk 93/98 - £79¾ (15Mr88)
12¾% Uns Ln Stk 93/98 - £100 (16Mr88)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 114 5
BTR PLC ADR (4:1) - $19¾ (15Mr88)
Bailey(C.H.) PLC "B" Ord 10p - 135
Barclay PLC Warrants to sub for Ord - 12
Barlow Rand Ld Pld Ord R0.10 - R19.55 (16Mr88)
Barr & Wallace Arnold Trust PLC Ord 25p - 350
Barrow Hepburn Group PLC 7.75% Cum Prf £1 - 97 (16Mr88)
Bassett Foods PLC 7¾% Cum Prf £1 - 64 (15Mr88)
Beazer PLC 8.57% Cum Red Prf £1 - 105¾ ¾ ¾ (15Mr88)
8¾% Cov Uns Ln Stk 2000 - £141 ¾
Benson Group PLC Ord 10p - 44¾
Birmid Qualcast PLC 7½% Uns Ld Stk 87/92 - £86 8 (14Mr88)
Blackwood Hodge PLC 9% Uns Ln Stk 85/90 - £92¾
Blue Circle Industries PLC 7¾% Cov Cum Red Prf £1 - 134 8 5
5¾% 2nd Deb Stk 1984/2009 - £54¾♦
7% Deb Stk 88/93 - £88 90¾
9% Deb Stk 92/97 - £97¾♦
10¾% Deb Stk 94/99 - £102¾♦
6¾% Uns Ln Stk(1975 or aft) - £58 (11Mr88)
Boeing Co Shs of Com Stk $5 - £49♦
Boots Co PLC ADR (2:1) - $8.90 (16Mr88)
7¾% Uns Ln Stk 88/93 - £91
Bowater Industries PLC 4.36% Cum Prf £1 - 60 1
Braime(T.F.&J.H.)(Hldgs) PLC "A" Non.V Ord 25p - 192 (15Mr88)
Braithwaite Group PLC Ord £1 - 345
Bridon PLC 10¾% Deb Stk 91/96 - £99¾ (15Mr88)
8¾% Uns Ln Stk 2002/07 - £80 (16Mr88)
British Airways PLC Ord 25p - 108 8 9 9 70 70 1 1 2 2 3
ADR (10:1) - $31¾ (11Mr88)
British-American Tobacco Co Ld 5% Cum Prf Stk £1 - 43¾ 6 (16Mr88)
6% 2nd Cum Prf Stk £1 - 61
British Ever Ready Ld 8% Uns Ln Stk 92/97 - £73 (16Mr88)
British Fittings Group PLC 5.5% Cnv Red Prf £1 - 85 ¾ (11Mr88)
British Home Stores PLC 5½% Mtg Deb Stk 89/94 - £73 (11Mr88)
British Shoe Corp Hldgs PLC 8¾% Cum 3rd Prf £1 - 61♦
7% Uns Ln Stk 85/90 - £90¾♦
Brown & Jackson PLC Ord 20p - 36¾ 7 ¾
Bunzl PLC 7% Cnv Uns Ln Stk 95/97 - £112 (16Mr88)
Burndene Investments PLC 15% Uns Ln Stk 2007/12 - £110
Burton Group PLC Wts to Sub for Ord Shs 1991 - 50¾ (15Mr88)
8% Uns Ln Stk 96/2006 - £81 (16Mr88)
8% Cov Uns Ln Stk 1996/2001 - £108 9 10 1
C.H.Industrials PLC 7% Cov Cum Prf £1 - 222 (11Mr88)
Cadbury Schweppes PLC 3½% Cum 1st Prf Stk £1 - 48¾ 50 (14Mr88)
9% 1st Mtg Deb Stk 88/93 - £95♦
Cannon Street Investments PLC 7.7% Cov Cum Red Prf 94/96 - £13.275
Centreway Industries PLC 11% Cum Prf £1 - 410 (11Mr88)
Centreway Trust PLC 11% Cum Prf £1 - 187
Chamberlain Phipps PLC 9% Uns Ln Stk 88/93 - £97¾
Channel Tunnel Investments PLC 0p - 110
Charringtons Industrial Hldgs Ld 10¾% Uns Ln Stk 93/98 - £98 (16Mr88)
Clarke(T.) PLC Ord 10p - 70
Coats Patons PLC 4¾% Uns Ln Stk 2002/07 - £45 (11Mr88)
6¾% Uns Ln Stk 2002/07 - £58¾♦
7¾% Uns Ln Stk 90/95 - £86¾ 7
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 575
Collins(William) PLC 8% Deb Stk 93/98 - £87 (11Mr88)
Cookson Group PLC 7% Pld Ord 50p - 33¾ (11Mr88)
7% Cum Prf £1 - 62 (14Mr88)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p - 107
Courtaulds PLC 5% Cum 1st Prf £1 - 42 (11Mr88)
7¾% Deb Stk 89/94 - £90¾
5¾% Uns Ld Stk 94/96 - £73 (15Mr88)
6¾% Uns Ln Stk 94/96 - £78 80 ¾
7¾% Uns Ld Stk 94/96 - £84 6
7¾% Uns Ln Stk 2000/05 - £80¾ (16Mr88)
Courtaulds Clothing Brands Ld 7¾% Cum Prf Stk £1 - 60 (11Mr88)
6¾% Deb Stk 84/89 - £91 (14Mr88)
Cowan,de Groot PLC 10¾% Cum Prf £1 - 112
Croda International PLC 5.6% Cum Prf £1 - 75 80 (11Mr88)
6.6% Cum Prf £1 - 69 (11Mr88)
Cronite Group PLC 14% Cnv Deb Stk 1992 - £178 (11Mr88)
Crystalate Hldgs PLC 6¾% Cnv Uns Ln Stk 2003 - £107♦
DRG PLC 7¾% Uns Ln Stk 86/91 - £92¾ (16Mr88)
Dalgety PLC 4.86% Cum Prf £1 - 62
8¾% Red Deb Stk 88/93 - £91
Davies & Metcalfe PLC "A"(Non.V)Ord 10p - 86
Debenhams PLC 7¾% 2nd Deb Stk 91/96 - £86 (16Mr88)
6¾% Uns Ln Stk 86/91 - £90♦
7¾% Uns Ln Stk 2002/07 - £78¾ (16Mr88)
7¾% Uns Ln Stk 2002/07 - £80
Delta Group PLC 3.15% Cum 2nd Prf £1 - 42 (11Mr88)
7¾% Deb Stk 85/90 - £93¾ 4
Dencora PLC 6.25% Cum Cnv Red Prf £1 - 125
Dewhurst PLC Ord 10p - 48 50
Dickie(James)&Co(Drop Forgings) PLC Ord 25p - 65
Dominion International Group PLC Warrants to sub for Ord - 5
Dow Chemical Co Com Stk $2.50 - $85¾♦
Dowty Group PLC 7% Uns Ld Stk 86/91 - £84 (15Mr88)
Dunhill Hldgs PLC 4.2% Cum Prf £1 - 50 (14Mr88)
EMAP PLC Ord 25p - 200 1 2¾ 3
Elliott(B.) PLC 7% Cnv Cum Red Prf £1 - 105
Emess PLC 6.25p(Net) Cnv Cum Red Prf 5p - 110
English Electric Co Ld 6¾% Deb Stk 84/89 - £92 (14Mr88)
7% Deb Stk 86/91 - £88 (16Mr88)
European Home Products PLC 8¾% Cum Red Prf 2001/06 £1 - 104¾ ¾ 11‡
5¾% Cnv Cum Red Prf 2006/11 £1 - 115 20
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - £3.18 3.19 (15Mr88)
Evode Group PLC 8% Cnv Uns Ln Stk 03/08 - £152 2 (16Mr88)
FII Group PLC 7.7% Cnv Cum Red Prf 95/99 £1 - 155
Falbotown Tank Developments Ld 7¾% 1st Mtg Deb Stk 87/92 - £94 8 (15Mr88)
Ferranti PLC 5.6% 1st Cum Prf £1 - 70 (11Mr88)
3.5% 2nd Red Cum Prf £1 - 46 (11Mr88)
3.85% 3rd Cum Prf £1 - 55¾ (11Mr88)
Fisons PLC ADR (4:1) - £10.60
8¾% Deb Stk 84/89 - £96¾ 7
5¾% Uns Ln Stk 2004/09 - £66 (15Mr88)
Folkes Group PLC Ord 5p - 47 9
Fortnum & Mason PLC Ord Stk £1 - £22¾ (15Mr88)
Fosecco Minsep PLC 8¾% Cnv Red Cum 2nd Prf - 133 (15Mr88)
10% Cnv Uns Ln Stk 90/95 - £123 8
Foster(John) & Son PLC 4¾% Cum Prf Stk £1 - 40 (14Mr88)
Francis Industries PLC 9% Uns Ln Stk 94/99 - £87♦
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 - 89 (15Mr88)
5% Cnv Cum Red Prf £1 - 132 .0056
Frogmore Estates PLC 13.85% 1st Mtg Deb Stk 2000/03 - £124
Futura Hldgs PLC Ord 25p - 356 (15Mr88)
GEC-Elliott Automation Ld 5¾% Deb Stk 85/90 - £89 (14Mr88)
GEI International PLC 10% Uns Ln Stk 87/92 - £95 (15Mr88)
GKN (United Kingdom) PLC 10¾% Gtd Deb Stk 90/95 - £101 ¾
Gardiner Group PLC New Ord 5p(Fp/LA-30/3/88) - 43
General Electric Co PLC ADR (1:1) - $2.88 (15Mr88)
7¾% Uns Ln Stk 87/92 - £88 (15Mr88)
7¾% Uns Ld Stk 88/93 - £90¾
General Motors Corp Com Stk $1 2/3 - £38 (16Mr88)
Gestetner Hldgs PLC Ord Cap 25p - 180 (14Mr88)
16% Cnv Uns Ln Stk 90/95 - £129
Glamar Group PLC Ord 10p - 145 (11Mr88)
Glass Glover Group PLC 6¾% Cum Cnv Red Prf 2000 £1 - 87¾ 98 100
Glaxo Group Ld 6¾% Uns Ln Stk 85/95 50p - 39 (14Mr88)
7¾% Uns Ln Stk 85/95 50p - 43 (11Mr88)
Glynwed International PLC 7¾% Cum Prf £1 - 74 (14Mr88)
10¾% Uns Ln Stk 94/99 - £99 (16Mr88)
Goodwin PLC Ord 10p - 44 (16Mr88)
Grampian Hldgs PLC 8¾% Deb Stk 84-89 - £96 (14Mr88)
Grand Metropolitan PLC 5% Cum Prf £1 - 45 (14Mr88)
10% Uns Ln Stk 91/96 - £98
Great Universal Stores PLC 5¾% Red Uns Ln Stk - £40♦
6¾% Red Uns Ln Stk - £57 (11Mr88)
8¾% Uns Ln Stk 93/98 - £89¾
Gulf & Western Industries Inc Com Stk $1 - £48.057 $ 80¾ (11Mr88)
Hall Engineering(Hldgs) PLC 5.55% Cum Prf £1 - 70 5¾ (11Mr88)
Halliburton Co Cum Stk $2.50 - $31¾ (15Mr88)
Hard Rock International PLC Class A (Rest Vtg) Ord 2p - 80 8 (11Mr88)
Harrisons & Crosfield PLC 5¾% Cum Prf £1 - 58 62¾ (11Mr88)
Hawker Siddeley Group PLC 5¾% Cum Prf £1 - 51¾
7¾% Deb Stk 87/92 - £91 (16Mr88)
Hercules Inc Shs of Com Stk of NPV - $27
Hamburger Brooks PLC 25p - 130 58
Hickson International PLC 8¾% Uns Ln Stk 89/94 - £83
Hillsdown Hldgs PLC ADR (4:1) - $22 (14Mr88)
Hoechst AG DM50 (Cpn 51) - £157.1 283¾ 284 284¾ 285 285 286
House of Fraser PLC 6¾% Uns Ln Stk 93/98 - £87 (16Mr88)
Howard & Wyndham PLC 16% Uns Ln Stk 76/91 - £88 (14Mr88)
Hunting Associated Industries PLC 9¾% Cnv Uns Ln Stk 03/08 - £233 (14Mr88)
IMI PLC 5¾% Uns Ln Stk 2001/06 - £81♦
IFL Information Technology PLC Ord 10p - 80
Illingworth,Morris PLC 8¾% Cum Prf Stk £1 - 81 (11Mr88)
Illingworth Morris (Saltaire) Ld 4¾% Cum 1st Prf £1 - 40 (14Mr88)
7% Non-Cum Prf 50p - 34¾ ¾ (15Mr88)
Imperial Chemical Industries PLC 6¾% Uns Ln Stk 94/2004 - £69 ¾ 70
7¾% Uns Ln Stk 86/91 - £90 2 3 ¾ 4 ¾
8¾% Uns Ln Stk 88/93 - £98 ¾ 4 ¾
11¾% Uns Ln Stk 91/96 - £103 ¾
International Bus Mach Corp Shs Cap Stk $1.25 - $82 ¾ ¾
International Stand Electr Corp 6¾% Stg/$ Cnv Uns Ln Stk 79/89 - £96 (11Mr88)
Jacksons Bourne End PLC 25p - 472 (15Mr88)
Jamesons Chocolates PLC Ord 10p - 180‡
Johnson & Firth Brown PLC 11.05% Cum Prf £1 - 127
11% Uns Ln Stk 93/98 - £96 (14Mr88)
Johnson,Matthey PLC 8% Cnv Cum Prf £1 - 455
5¾% Mtg Deb Stk 85/90 - £92¾ (15Mr88)
8¾% Mtg Deb Stk 85/95 - £92¾ (15Mr88)
Johnston Group PLC 15% Cum Prf £1 - 113 (11Mr88)
Jones,Stroud(Hldgs) PLC 10% Cum Prf £1 - 110 (14Mr88)
Juliana's Hldgs PLC 7½% Cnv Uns Ln Stk 2000/02 - £58♦
Kenning Motor Group PLC 7% Cum Prf £1 - 65 (11Mr88)
Kingsley & Forester Group PLC 3.85% Cum Prf £1 - 40
Ladbroke Group PLC 8% Gtd Uns Ln Stk 90/92 - £94 (15Mr88)
Laing(John) PLC Ord "A" Non Vtg 25p - 298 300 2 3 5
Lamont Hldgs PLC 10% 3rd Cum Prf £1 - 124 7 (11Mr88)
LandLeisure PLC 8¾% Cum Cnv Red Prf £1 - 373♦ 7♦
Laporte Industries(Hldgs) PLC 5¾% Cum 2nd Prf Stk £1 - 48 (14Mr88)
8% Deb Stk 93/98 - £88¾ (14Mr88)
10¾% Deb Stk 94/99 - £99¾♦
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 47¾ 50
7½% Cum Prf Stk £1 - 60 (14Mr88)
Lewis's Investment Trust Ld 6¾% Mtg Deb Stk 85/90 - £90 (15Mr88)
London International Group PLC 10¾% Uns Ln Stk 90/95 - £96 (14Mr88)
Lonrho PLC 9% 2nd Mtg Deb Stk 87/92 - £90 (16Mr88)
Lucas Industries PLC 10¾% Uns Ln Stk 92/97 - £102 ¾
Lyon & Lyon PLC Ord 25p - 180
M.K.Electric Group PLC 7¾% Uns Ln Stk 86/91 - £90
M.Y.Holdings PLC Dfd Ord 10p - 57¾
McCarthy & Stone PLC 7% Cov Uns Ln Stk 99/04 - £205 (15Mr88)
Magnet PLC 5.625% Cnv Cum Red Prf 2012 £1 - 65 5 ¾ 7
Manganese Bronze Hldgs PLC 8¾% Cum Prf £1 - 70♦
Manor National PLC 10¾% Red Cum Prf £1 - 125 (15Mr88)
Mappin & Webb Hldgs Ld 6% Cum Prf Stk £1 - 55 (14Mr88)
5¾% Cum 2nd Prf Stk £1 - 52 (11Mr88)
Marks & Spencer PLC 7% Cum Prf £1 - 63 (15Mr88)
Marshalls Halifax PLC 16% Cum Prf £1 - 115 (11Mr88)
Metal Box PLC 10¾% Uns Ln Stk 92/97 - £102
Morgan Crucible Co PLC 7.5% (Net) Cnv Cum Red Prf £1 - 119 20 1
9¾% Deb Stk 95/2000 - £96 (16Mr88)
Deb Warrants to sub for Ord - 43 (14Mr88)
Mount Charlotte Investments PLC 9¾% Cnv Uns Ln Stk 95/2000 - £465 70 (16Mr88)
National Medical Enterprises Inc Shs of Com Stk $0.05 - $21.96960♦
Newman Industries PLC 10¾% Uns Ln Stk 96/98 - £80 (16Mr88)
News International PLC 6% 2nd Cum Prf £1 - 64 (15Mr88)
Next PLC 7%"A" Cum Prf £1 - 60 (16Mr88)
10%"B" Cum Prf 50p - 45 (15Mr88)
7¾% 1st Mtg Deb Stk 87/92 - £90¾ (14Mr88)
Noble & Lund PLC 8% Cnv Cum Red Prf £1 - 108♦
Nobo Group PLC Ord 10p - 187
Normans Group PLC 8¾% Cnv Uns Ln Stk 99/04 - £97 100
Norsk Data AS Class "B"(Non Vtg) NK20 - £10.6 10¾ 11 11¾ 11¾ 12¾ 12¾ NK68¾ 69 70 70¾ 71 71¾ 78¾ DK79¾ NK80¾ DK83¾
North British Steel Group(Hldgs) PLC Ord 25p - 33♦
North Midland Construction PLC Ord 10p - 135 (14Mr88)
Northern Engineering Industries PLC 5.375% Cum Prf £1 - 73¾ (11Mr88)
Norton Opax PLC 5¾% Cnv Cum Red Prf 2002 £1 - 92 3
Oliver(George)(Footwear) PLC Ord 25p - 343♦
Osborne(Samuel) & Co Ld 7¾% Deb Stk 93/98 - £84¾ (15Mr88)
PLM AB "B" Unrestricted Shs SK 25 - SK245 250 (11Mr88)
Pall Corporation Shs of Com Stk $0.25 - $28.44513 28.44514 (14Mr88)
Parkfield Group PLC 7% Cum Cnv Red Prf £1 - 395
Parkland Textile(Hldgs) PLC Ord 25p - 240 (14Mr88)
Paterson Zochonis PLC 10% Cum Prf £1 - 118
Pearson PLC 10¾% Uns Ln Stk 93/98 - £99¾♦
Pepler-Hattersley PLC 7% Uns Ln Stk 89/94 - £88 (16Mr88)
Pentos PLC Dfd Ord 20p - 215 (16Mr88)
13¾% Cnv Uns Ln Stk 1990(Series"A") - £149 52
Philcom PLC 8% Cum Cnv Red Prf £1 - 146 (15Mr88)
Pillsbury Co Com Shs of NPV - $41¾ 42.86
Plessey Co PLC 7¾% Deb Stk 92/97 - £85 ¾ (15Mr88)
Portals Hldgs PLC 9¾% Cnv Uns Ln Stk 94/2000 - £265 (15Mr88)
Porter Chadburn PLC 8% Cnv Cum Red Prf 1993 £1 - 117 (14Mr88)
Powell Duffryn PLC 4¾% Cum Prf 50p - 21
Pressac Holdings PLC 10.5% Cum Prf £1 - 127 8
Queens Moat Houses PLC 10¾% 1st Mtg Deb Stk 2020 - £98¾ (11Mr88)
Quick(H.& J.) Group PLC 10% Cum Prf £1 - 110 (15Mr88)
Warrants to sub for Ord - 18 (11Mr88)
9% Cum Prf £1 - 90 (14Mr88)
RJR Nabisco Inc Shs of Com Stk NPV - £50¾
RPH Ld 4% Cum Prf £1 - 38 (15Mr88)
6% Cum Prf £1 - 74 (15Mr88)
4¾% Uns Ln Stk 2004/09 - £40 (15Mr88)
7¾% Uns Ln Stk 87/92 - £91♦
9% Uns Ln Stk 99/2004 - £85 (15Mr88)
Racal Electronics PLC ADR (1:1) - $4.28 (15Mr88)
Rank Organisation PLC ADR (1:1) - $13 (15Mr88)
Ranks Hovis McDougall PLC 6% Cum 1st Prf £1 - 57♦
6% Cum "B" Prf £1 - 58 (11Mr88)
6¾% Uns Ln Stk 85/88 - £97¾♦
6¾% Uns Ln Stk 83/88 - £96
8¾% Uns Ln Stk 90/94 - £90¾♦ 1¾♦
8¾% Uns Ln Stk 91/95 - £94 (15Mr88)
Readicut International PLC 5¾% 2nd Cum Prf £1 - 52 5 6¾ (11Mr88)
Reckitt & Colman PLC 5% Cum Prf £1 - 45♦
Redfearn PLC 7% Cum Prf £1 - 63 (15Mr88)
7% Cum 2nd Prf £1 - 60 (16Mr88)
Reed(Austin)Group PLC Ord 25p - 350
Reed International PLC 5% Cum Prf £1 - 45 (15Mr88)
5¾% Cum Red Prf £1 - 50 (16Mr88)
7% Deb Stk 87/92 - £91 (11Mr88)
7¾% Deb Stk 87/92 - £94 (14Mr88)
7¾% Deb Stk 90/95 - £86 (11Mr88)
Renold PLC 7¾% 2nd Deb Stk 82/87 - £82♦
Rexmore PLC 13%(Net)Cnv Cum Red Prf(91/92) £1 - 135 (14Mr88)
Robinson (Thomas) Group PLC 7% Cum Cnv Red Prf £1 - 210¾ (14Mr88)
Rockware Group PLC 7.7% Cum Cnv 2nd Prf £1 - 258 (11Mr88)
Rolls-Royce PLC Ord 20p - 120 & 0 7 7 ¾ & & ¾ ½ ¾‡ 9 9‡ ¾ ¾ 30 1¾ 2
Ropner PLC 11¾% Cum Prf £1 - 135 42
Rowntree PLC 6% 1st Cum Prf £1 - 55 (11Mr88)
7¾% 3rd Cum Prf £1 - 67 (16Mr88)
Ruberoid PLC 10¾% Uns Ln Stk 90/95 - £99¾
Rugby Group PLC 5% Uns Ln Stk 93/98 - £74
S & U Stores PLC Warrants to sub for Ord - 65
6% Cum Prf £1 - 59 60 (11Mr88)
Saatchi & Saatchi Co PLC ADR (3:1) - $23.69405 (15Mr88)
Sainsbury(J) PLC ADR (1:1) - $4.2
6% Irrd Uns Ln Stk - £77½♦
Sanderson Murray&Elder(Hldgs) PLC Ord 50p - 185
Savoy Hotel PLC "B" Ord 5p - £250 (16Mr88)
Scapa Group PLC 9% Uns Ln Stk 88/93 - £96
Schering AG Shs of DM50,100 &1000 (Cpn 51) - DM450 456 (15Mr88)
Scott & Robertson PLC 7¾% Cum Cnv Red Prf £1 - 109 (14Mr88)
Scottish Agricultural Industries PLC 7¾% Uns Ln Stk 94/99 - £83¾ 4¾ (15Mr88)
Scottish Ice Rink Co(1928) PLC £1 - £23
Sears PLC 12¾% Cum Prf £1 - 112 & 9¾ (11Mr88)
7¾% Uns Ln Stk 92/97 - £84¾ (16Mr88)
Senior Engineering Group PLC 9.5% Uns Ln Stk 91/96 - £95 (16Mr88)
Shanks & McEwan Group PLC Ord 50p(Ex Div) - 810
New Ord 50p(Fp/AL-21/3/88) - 810 10 7 25 30
Sidlaw Group PLC 7¾% Uns Ln Stk 2003/08 - £56 (15Mr88)
600 Group PLC 6¾% Uns Ln Stk 87/92 - £93
Smith(John)(Reid Head) Ld 5¾% Cum Prf £1 - 54¾ ¾ (15Mr88)
Smith (W.H.) Group PLC "B" Ord 10p - 81♦
5¾% Red Uns Ln Stk - £50 (11Mr88)
7¾% Red Uns Ln Stk 88/93 - £87 (16Mr88)
Smurfit(Jefferson)Group PLC 10¾% Uns Ln Stk 75/95 - £83 (14Mr88)
Sommerville(William) & Son PLC Ord 25p - 705 (15Mr88)
Sparrow(C.A.)(Special Agency)Ord 50p - £18¾ (14Mr88)
Spillers Ld 7¾% Deb Stk 84/88 - £96¾
Spong Hldgs PLC Cov Cum Red Prf 20p - 85 6
7% Cnv Cum Red Prf £1 - 100 (14Mr88)
Squibb Corp Com Stk $1 - $36.4
Stag Furniture Hldgs PLC 11% Cum Prf £1 - 125 (14Mr88)
Stanley(A.G.)Hldgs PLC 5.75p Cum Cnv Red Prf - 113 (15Mr88)
Stead & Simpson PLC Ord 25p - 920
4¾% Deb Stk(Perp) - £32 (16Mr88)
Steetley PLC 6¾% Deb Stk 85/90 - £89 (14Mr88)
Stoddard(Hldgs) PLC 4% Cum Prf £1 - 40 (15Mr88)
Storehouse PLC 9% Cnv Uns Ln Stk 1992 - £157♦
Sutcliffe,Speakman PLC Warrants to sub for Ord - 75 (16Mr88)
9¾% Red Cum Prf £1 - 100 10 (11Mr88)
Suter PLC Dfd Ord 5p - 162 (15Mr88)
Symonds Engineering PLC Ord 5p - 44
T & N PLC 8% Mtg Deb Stk 87/92 - £91 (15Mr88)
TDK Corporation Shs of Com Stk Y50 - Y513 580 590 600 610 (16Mr88)
TGI PLC Ord 1p - 128 9 30
T.I.P. Europe PLC Ord 5p - 142 3 6
New Ord 5p (Fp/RLA-19/3/88) - 143♦
Tate & Lyle PLC 6¾% Cum Prf Stk £1 - 60
7¾% Deb Stk 89/94 - £88¾ (14Mr88)
7¾% Uns Ln Stk 85/90 - £93 (14Mr88)
10¾% Uns Ln Stk 2003/08 - £104¾ (15Mr88)
13¾% Cnv Uns Ln Stk 94/99 - £275 (15Mr88)
Tailor Hldgs PLC Warrants to sub for Ord - 68 70¾ 1¾
9% Cum Prf £1 - 110 (11Mr88)
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £48¾ (14Mr88)
Tex Holdings PLC Ord 10p - 120 3
Thomson Organisation PLC 5.83% Cum Prf £1 - 77 (15Mr88)
21.7% Cum Prf 25p - 70 (16Mr88)
7¾% Uns Ln Stk 87/92 - £87 (15Mr88)
Thomson T-Line PLC 5.75p(Net)Cnv Cum Red Prf 20p - 130 30 ¾ 1 2 2 3 3‡
THORN EMI PLC Warrants to sub for Ord - 145 58 (15Mr88)
5% Uns Ln Stk 2004/09 - £56 (15Mr88)
7¾% Uns Ln Stk 86/92 - £89¾ (14Mr88)
8¾% Uns Ln Stk 89/94 - £92¾ (14Mr88)
Tilling(Thomas) PLC 5.25% Cum Prf £1 - 74
8¾% Uns Ln Stk 89/94 - £92¾ (16Mr88)
Tomkins PLC 9¾% Cnv Uns Ln Stk 1994 - £265♦
Tootal Group PLC 6% Cum Prf £1 - 46 8
4¾% Perp Deb Stk - £44 (11Mr88)
6¾% Deb Stk 85/90 - £91¾ (14Mr88)
7¾% Deb Stk 85/90 - £93 (16Mr88)
7¾% Uns Ln Stk 89/94 - £88¾♦
Towles PLC Ord 10p - 200 (15Mr88)
"A" Non.V.Ord 10p - 99 (11Mr88)
Trafalgar House PLC 7% Uns Deb Stk £1 - 63¾ (14Mr88)
9¾% Uns Ln Stk 2000/05 - £95
10¾% Uns Ln Stk 2001/06 - £98 100¾
Transport Development Group PLC 6¾% Uns Ln Stk 93/98 - £88¾ (11Mr88)
Tranwood Group PLC Warrants to sub for Ord - 13♦
Trinity International Hldgs PLC Ord(Lim Vtg)Stk 50p - 705
Trusthouse Forte PLC Warrants to sub for Ord - 58 64
6.25% 1st Mtg Deb Stk 85/90 - £90♦
10.5% Mtg Deb Stk 91/96 - £102¾
9.1% Uns Ln Stk 95/2000 - £87 91 (11Mr88)
UK Paper PLC Ord 10p (Fp/LA-22/4/88) - 138 8 9 9 40 40 1 1 2 2 ¾ 3 3 ¾ 4 4 5 5 6 7 ¾ & 8 9 50
Unigate PLC 4.7% Cum Prf £1 - 62 (14Mr88)
5% Uns Ln Stk 91/96 - 70 (16Mr88)
6¾% Uns Ln Stk 91/96 - £79 (16Mr88)
Unilever PLC 7% 1st Cum Prf Stk £1 - 69
8% 2nd Cum Prf Stk £1 - 73 (11Mr88)
6¾% Uns Ln Stk 91/2006 - £83 (15Mr88)
7¾% Uns Ln Stk 91/2006 - £88 ¾ 4
Union International Co PLC 6% Cum Prf Stk £1 - 53¾ 4¾ (16Mr88)
7% Cum Prf Stk £1 - 68 (15Mr88)
Unisys Corp Com Stk $5 - £15.1 (14Mr88)
United Biscuits(Hldgs) PLC Warrants to sub for Ord (1989) - 125 7 7 8
6% Deb Stk 93/98 - £86¾ (15Mr88)
United Scientific Hldgs PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 85 ¾ ¾ 8
Upton(E.)& Sons PLC Ord 25p - 56 8
Vantona Viyella PLC 4.55% Cum Prf £1 - 64
5.6% Cum Prf £1 - 75 (14Mr88)
Vickers PLC Pld 5% Stk(Non-Cum) - £47 (11Mr88)
5% Prf(Non-Cum)Stk £1 - 47 (11Mr88)
5% Cum(Tax Free To 30p)Prf Stk £1 - 60 (16Mr88)
Victoria Carpet Hldgs PLC Ord 25p - 110¾ 1
Volvo AB "B" SK25(Non-Restricted) - £37¾ 57¾ SK340¾ 345
Vosper Thornycroft Holdings PLC Ord 25p - 178 8 8 80 80 2 2 ¾ 3 & 3‡ ¾ 4 4 5 5 0 7 7 0 90 90 2 2 5 5
WB Industries PLC Ord 10p - 37
WCRS Group PLC 5¾% Cnv Cum Red Prf 1998 10p - 119¾
Wade Potteries PLC 10% Cum Prf £1 - 128 (11Mr88)
Walker & Staff Hldgs PLC Ord 5p - 112
Walker(Thomas) PLC Ord 5p - 63
Warner Communications Inc Com Stk $1 - $31¾ (15Mr88)
Waste Management Inc Shs of Com Stk $1 - £20
Waterford Glass/Wrld Wedgwood PLC Units (1 WFG Ord Ir£0.05 & 1 WFW Inc 1p) - 70 1 2 ¾ ¾ ¾‡ 3 ¾
Westland Group PLC Warrants to sub for Ord - 2¾ 8
7¾% Cnv Cum Prf £1 - 113 3
7¾% Deb Stk 87/92 - £89 (15Mr88)
Whitecroft PLC 4.1% Cum Prf £1 - 54
Widney PLC 5.75% Cov Cum Red 2nd Prf 2000 £1 - 115 (16Mr88)
10¾% Cum Prf £1 - 120 (16Mr88)
Woolworth Hldgs PLC New 8¾% Cnv Uns Ln Stk 2000(TTD) - £140 (16Mr88)
Yates(W.E.) Ld 7¾% Cum Prf £1 - 74¾ ¾ (15Mr88)
Youghal Carpets(Hldgs) Ld 7¾% Cum Prf Ir£1 - 14 (16Mr88)
Yule Catto & Co PLC 11¾% Cum Red Prf 1998/2003 £1 - 127 (14Mr88)

Financial Trusts, Land, etc No. of bargains included584

American Express Co Com $0.60 - £14.2 (15Mr88)
Archer(A.J.) Hldgs PLC New Ord 1p(Fp/LA-15/4/88) - 163 5
Argyle Trust PLC 11% Cnv Subord Uns Ln Stk 1992 - £109 10
Authority Investments PLC 6% Cnv Uns Ln Stk 2006/11 - £141 (15Mr88)
Baillie Gifford Technology PLC Warrants to sub for Ord - 12 (15Mr88)
Britannia Arrow Hldgs PLC Wts To Subscribe for Ord - 28
6¾% Cum Prf £1 - 54 (14Mr88)
British & Commonwealth Hldgs PLC 10¾% Uns Ln Stk 2012 - £95¾ (15Mr88)
Capital Strategy Fund Ld Ptg Red Prf $0.01(Stlg Deposit Fund Shs) - 100.8 8 (14Mr88)
Ptg Red Prf $0.01(US$ Deposit Fund Shs) - $1.004
Ptg Red Prf $0.01(British Fund Shs) - 21.87
Compagnie Bancaire S.A. FF100(Br) - £421.27♦
Daily Mail & General Trust PLC Ord 50p - £32
Edinburgh Financial Trust PLC Warrants to sub for Ord - 18 (14Mr88)
Exploration Co PLC Ord Stk 5p - 150 1 (15Mr88)
F & C Enterprise Trust PLC Ser B Warrants to sub for Ord - 5♦
Ferguson(James)Hldgs PLC Ord 10p - 50
First Debenture Finance PLC 11.125% Severally Gtd Deb Stk 2018 - £107¾
First National Finance Corp PLC 10% Subord Uns Ln Stk 1992 - £95 (16Mr88)
G.T.Asia(Sterling)Fund Ld Ptg Red Prf 1p - £9.597 (15Mr88)
Govett High Income Gilt Fund Ld Ptg Red Prf 1p - 45.2 (14Mr88)
Hunting Group PLC 4.2% Cum Prf £1 - 58 9½ (15Mr88)
Inchcape PLC 5¾% Cum Red Prf 90/92 £1 - 84 (15Mr88)
8% Uns Ln Stk 87/90 - £90 (15Mr88)
12¾% Uns Ln Stk 93/98 - £110¾
International City Hldgs PLC 8¾% Cnv Cum Red Prf £1 - 108¾ 18 (16Mr88)
Intl Stock Exchange of UK&Rep of Ir Ld 7¾% Mtg Deb Stk 90/95 - £88¾ (15Mr88)
JF Pacific Warrant Co SA Ord $2 (Br) - £52
Prf $2 (Br) - £21
Korea-Europe Fund Ld Shs $0.10 - $13.8
Shs(IDR to Br) $0.10 - $750
M&M Britannia Jersey Gilt Fund Ld Ptg Red Prf 1p - £1.2 (15Mr88)
Melville Street Investments PLC Warrants to sub for Ord - 35 (15Mr88)
Mercury Offshore Sterling Trust Shs of NPV(Overseas Fund) - 103.1 (11Mr88)
Mercury Selected Trust Shs NPV Global Fund(Reg) - $40.65 (15Mr88)
Shs NPV European Fund(Reg) - £9.98 10.32 (16Mr88)
Shs NPV European Opportunities Fund(Br) - $9.61 (15Mr88)
Mezzanine Capital&Inc Tst 2001 PLC Inc Shs £1 - 145 (15Mr88)
Murray Ventures PLC 11.1% Deb Stk 91/96 - £108 (14Mr88)
National Home Loans Corp PLC 7.5% Cnv Prf £1 - 105¾ 7
Old Court Currency Fund Ld Ptg Red Prf $0.01(Sterling) - £10.5019 (14Mr88)
Portugal Fund Ld Ptg Red Prf $0.01 - £4.88 (11Mr88)
RBC International Capital Fund Ld Ptg Red Prf $0.01 - $40.51 (11Mr88)
Rothschild(J.)Hldgs PLC Warrants to sub for Ord - 70 0 7¾
Royal Trust Government Secs Fund Ld Ptg Red Prf 1p - 70¾ (15Mr88)
Save & Prosper Gold Fund Ld $0.01 - $15.02 (15Mr88)
Schroder Portfolio Selection Fd Ld Ptg Prf $0.01(JapaneseSmallerCo'sFdShs) - 261.1 (15Mr88)
Selective Assets Trust PLC Ord 10p - 71 1 (16Mr88)
Units of Equities Index Uns Ln Stk 2013 - 58♦
Smith New Court PLC 12% Subord Uns Ln Stk 2001 - £96¾♦
Strata Investments PLC Warrants to sub for Ord - 31
Thornton Pacific Investment Fund SA £1 - 655 8 (16Mr88)
Warrants to sub for shs - 188 (16Mr88)
Warrants to sub for Shs - 65♦
Value & Income Trust PLC 6¾% Cum Cnv Red Prf £1 - 122
Westpool Investment Trust PLC 6% Cnv Uns Ln Stk 89/94 - £120

Insurance No. of bargains included772

Alexander & Alexander Services Inc Shs of Class C Com Stk $1 - £10.85 1¾
Commercial Union Assurance Co PLC 5% Cum Red Prf 88/2009 £1 - 52♦
Ecclesiastical Insurance Office PLC 10% Red 2nd Cum Prf £1 - 122 (11Mr88)
General Acc Fire&Life Assc Corp PLC 5½% Cum Prf £1 - 60 (14Mr88)
7¾% Uns Ln Stk 87/92 - £88¾
7¾% Uns Ln Stk 92/97 - £88 (15Mr88)
Guardian Royal Exchange Assurance PLC 7% Cum Red Prf £1 - 80 (16Mr88)
7% Uns Ln Stk 86/91 - £89¾ 91¾

Investment Trusts No. of bargains included842

Alliance Trust PLC 4¾% Prf Stk (Cum) - £44 (14Mr88)
5% Prf Stk - £48 (14Mr88)
Australia Investment Trust PLC Warrants to sub for Ord - 20¾ (15Mr88)
Baillie Gifford Japan Trust PLC Warrants to sub for Ord - 375
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 41 (16Mr88)
Berry Starquest PLC Ord £1 - 138 83
British Assets Trust PLC "A" 5% Prf Stk(Cum) - £49 (15Mr88)
C.S.C.Investment Trust PLC Ord 25p - 195 (11Mr88)
Capital Gearing Trust PLC Ord 25p - 200 (16Mr88)
Derby Trust PLC Warrants to sub for Cap Shs - 100 (15Mr88)
EFM Dragon Trust PLC Warrants to sub for Ord - 3
Edinburgh Investment Trust PLC 11¾% Deb Stk 2014 - £110¾ (16Mr88)
English & Caledonian Investment PLC Ord £1 - 222 (11Mr88)
English & Scottish Investors PLC "B" 25p - 94 (11Mr88)
F.& C. Pacific Investment Trust PLC Warrants to sub for Ord - 50
F.& C. Smaller Companies PLC 8% Cum Prf Stk - £58 (14Mr88)
First Spanish Inv Trust PLC Warrants to sub for Ord - 19
Fleming Universal Inv Trust PLC 5% Cum Prf £1 - 48¾ (14Mr88)
Foreign & Col Invest Trust PLC 9% Deb Stk 85/90 - £90
GT Venture Investment Co PLC Ord 50p (Without Warrants) - 67♦
Warrants to sub for Ord - 11 (16Mr88)
German Securities Inv Trust PLC Ord £1 - 93 (15Mr88)
German Smaller Co's Inv Trust PLC Warrants to sub for Ord - 40
Globe Investment Trust PLC 10% Deb Stk 2018 - £96¾
11¾% Cnv Uns Ln Stk 90/95 - £325 (16Mr88)
Govett Strategic Inv Trust PLC 9¾% Deb Stk 2017 - £95¾ (14Mr88)
10¾% Deb Stk 2010 - £100♦
11¾% Deb Stk 2014 - £108 (14Mr88)
Greenfriar Investment Co PLC Warrants to sub for Ord - 173 (14Mr88)
Investors Capital Trust PLC 7¾% Deb Stk 92/97 - £79♦
London & St Lawrence Investment PLC Ord 5p - 87 (16Mr88)
Multitrust PLC Warrants to sub for Ord - 17♦
Murray International Trust PLC 3.9% Cum Prf £1 - 60¾
New Darien Oil Trust PLC Warrants to sub for Ord - 9¾ (15Mr88)
New Guernsey Securities Trust Ld Ord 25p - 83
New Throgmorton Trust(1983) PLC 12.6% Deb Stk 2008 - £110 (15Mr88)
New Tokyo Investment Trust PLC Warrants to sub for Ord - 85 (16Mr88)
Northern American Trust PLC 3¾% Cum Prf Stk - £48 (11Mr88)
Overseas Investment Trust PLC Warrants to sub for Ord - 31
Rights and Issues Inv Trust PLC Inc 25p - 75 (16Mr88)
River&Merc American Cap&Inc Tst PLC - 16♦
Income 25p - 102 (16Mr88)
Warrants to sub for Capital - 7¾
River & Mercantile Trust PLC 0¾% Deb Stk 89/94 - £91¾
Scottish Eastern Inv Trust PLC 4% Perp Deb Stk - £28 (15Mr88)
9¾% Deb Stk 2020 - £94¾
Scottish Investment Trust PLC 3.5% Cum Pfd Stk - £49 (15Mr88)
Scottish National Trust PLC 6% Cum Prf £1 - 60 (15Mr88)
4¾% Deb Stk(1958) - £37 (15Mr88)
Shires Investment PLC Warrants to sub for Ord - 37 9 41 (16Mr88)
TR City of London Trust PLC 5% Cum 1st Prf Stk - £58 (14Mr88)
TR Industrial & General Trust PLC 5¾% Deb Stk 92/97 - £70¾ (15Mr88)
10% Deb Stk 2018 - £99¾♦
TR Property Investment Trust PLC 4¾% Cum Prf Stk - £43 (14Mr88)
TR Trustees Corp PLC 10¾% Deb Stk 2010 - £101¾ (11Mr88)
Throgmorton Trust PLC 12 5/16% Deb Stk 2010 - £115¾ (15Mr88)
Tribune Investment Trust PLC 6¾% Deb Stk 2012 - £89¾♦
Updown Investment Co PLC Ord 25p - 319 (15Mr88)
Vantage Securities PLC Warrants to sub for Ord - 80 (16Mr88)
Witan Investment Co PLC 8% Deb Stk 88/99 - £87¾♦
8¾% Deb Stk 2018 - £84¾

Unit Trusts No. of bargains included54

M.& G. American Smaller Co's Fund Inc Units - 43 (11Mr88)
Accum Units - 48 (14Mr88)
M.& G.Gold & General Fund Inc Units - 48 (11Mr88)
M.& G. International Income Fund Inc Units - 58.4♦
Accum Units - 61¾ (11Mr88)
M.& G. Japan Smaller Companies Fund Inc Units - 91.3 (11Mr88)
Accum Units - 91.9 (11Mr88)

Mines – Miscellaneous No. of bargains included353

Bisichi Tin Co PLC 10p - 72
Botswana RST Ld Pu2 - 48
Consolidated Gold Fields PLC ADR (4:1) - $64¾♦ 5¾♦
De Beers Consolidated Mines Ld 40% Cum Prf R5 (Br) (Cpn 158) - 250
Dfd R0.05(Br) (Cpn 80) - $11¾ 12
El Oro Mining&Exploration Co PLC Ord 10p - 321¾ 45
Mhangura Copper Mines Ld Ord Stk $Z1 - 13 (16Mr88)
North Kalgurli Mines Ld New $A0.50(Nil Pd-6/4/88) - 3 ¾ 4 ¾
RTZ Corporation PLC 3.325% "A" Com Prf £1 - 45
6¾% Uns Ln Stk 85/90 - £90¾ 1¾
Waverley Mining Finance PLC Ord 0p (With Warrants) (Fp/RLA-4/7/88) - 80 (14Mr88)
Willoughby's Consolidated PLC Stk 50p - 40 (11Mr88)
Pfd 1p - 40 (11Mr88)
Zambia Consolidated Copper Mines Ld "B" Ord K10 - 47 8

Mines – South African No. of bargains included71

Anglovaal Ld "A" Ord R0.50 - £47 (14Mr88)
6% Ptg Prf R2 - £18 (14Mr88)
Coronation Syndicate Ld R0.25 - 30 (11Mr88)
General Mining Union Corporation 12.5% Uns Subord Comp Cnv Debs(Ird) R27 - £8 (14Mr88)
New Kleinfontein Properties Ld R0.25 - 80 (11Mr88)

Oil No. of bargains included1885

Aran Energy PLC Ord Ir£0.20 - 71 2 3 3 3‡ ¾ 4‡
Atlantis International Ld Com Shs of NPV - 30
BOM Hldgs PLC Ord 2½p - 5¾ 0 7
8% Cnv 2nd Mtg Deb Stk 1989 - £270 (14Mr88)
British Petroleum Co PLC Ord 25p (120p Pd) (Reg) - 72 .427 ¾ ¾ .822 3 3 ¾ ¾‡ .825 4 4 4‡ ¾ ¾ 5 6‡ ¾ ¾ ¾ 7 7
ADR (12:1) (Pty Pd) - $17.405 .426466 (15Mr88)
9% Cum 2nd Prf £1 - 86¾ (15Mr88)
Britoil PLC ADR (5:1) - $47¾ (15Mr88)
Burmah Oil PLC 6% Cum 1st Prf Stk £1 - 01 (11Mr88)
6% Cum 2nd Prf Stk £1 - 58¾ (11Mr88)
7¾% Cum Red Prf Stk £1 - 70 ¾ 1 (16Mr88)
8% Cum Prf Stk £1 - 76 ¾ (15Mr88)
Calor Group PLC Ord 50p - 555 60 60 3 5 7 8 ¾ 70 70 5
Dome Petroleum Ld Com Shs of NPV - 48
ELF UK PLC 12¾% Uns Ln Stk 1991(Reg) - £105¾
Great Western Resources Inc Class A Shs of Com Stk NPV - 110 1 (11Mr88)
London & Scottish Marine Oil PLC New 9¾% Cum Red Prf £1 - 112¾ (15Mr88)
Shell Transport&Trading Co PLC Ord Shs (Br) 25p(Cpn 179) - £10.53 (15Mr88)
Texaco International Financial Corp 6% Stg/$ Cnv Gtd Ln Stk 81/99 - £102¾ (16Mr88)
Total-Compagnie Francaise Des Petroles "B" Shs FR50 - FR348.4385 (16Mr88)

Property No. of bargains included1047

Allied London Properties PLC 6¾% Cnv Uns Ln Stk 1989 - £225 (14Mr88)
Bampton Hldgs Ld 6¾% Uns Ld Stk 2002/07 - £78¾
Britannia Group PLC Ord 5p - 104 5
Brixton Estate PLC 9.50% 1st Mtg Deb Stk 2026 - £92¾♦
Capital & Counties PLC 5¾% Cnv Prf £1 - 102‡
6¾% 1st Mtg Deb Stk 95/2000 - £78¾ ¾ (15Mr88)
9¾% 1st Mtg Deb Stk 2027 - £95¾ ¾
9¾% Uns Ln Stk 91/96 - £97¾♦
Centrovincial Estates PLC 8¾% Uns Ld Stk 86/93 - £81¾♦
Chesterfield Properties PLC 5.25%(Net) Cnv Cum Prf £1 - 91♦ 2♦ 3♦
Colman(E.Alec)Investments Ld 9% 1st Mtg Deb Stk 87/92 - £94¾
8% Uns Ld Stk 91/96 - £80 (16Mr88)
Craigton Combined Secs Ld 8¾% 1st Mtg Deb Stk 86/91 - £90¾ (16Mr88)
Estates Property Investment Co PLC 10% 1st Mtg Deb Stk 2011 - £95¾ (16Mr88)
7¾% Uns Ln Stk 89/92 - £87 (14Mr88)
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £94¾
9¾% Cnv Uns Ln Stk 2002 - £122
Green Property Co PLC Ord Ir£0.25 - 105
Greycoat Group PLC 12.85% Uns Ln Stk 90/92 - £103¾♦
Hammerson Prop Inv&Dev Corp PLC Ord 25p - 595 7 601
Haslemere Estates PLC 10¾% 1st Mtg Deb Stk 98/2003 - £98¾♦
10¾% 1st Mtg Deb Stk 2016 - £101¾
Kennings Estates PLC 5¾% Cum Prf £1 - 52 (11Mr88)
Land Securities PLC 6% 1st Mtg Deb Stk 88/93 - £86 (16Mr88)
7¾% 1st Mtg Deb Stk 91/96 - £85
6% 1st Mtg Deb Stk 96/2001 - £93¾ 4¾
10% 1st Mtg Deb Stk 2025 - £100¾ ¾ ¾ (16Mr88)
6¾% Uns Ln Stk 92/97 - £84¾ (11Mr88)
8¾% Uns Ln Stk 92/97 - £90 ¾ 1¾
Law Land PLC 7¾% 1st Mtg Deb Stk 86/91 - £89 (16Mr88)
London&Prov Shop Centres(Hldgs) PLC 10% 1st Mtg Deb Stk 2026 - £95¾♦
London County Free. & Lease. Prop 7¾% 1st Mtg Deb Stk 91/95 - £85¾ 6 (15Mr88)
7¾% 1st Mtg Deb Stk 92/96 - £90¾ ¾ (15Mr88)
Lynton Property&Reversionary PLC 10¾% 1st Mtg Deb Stk 2017 - £97¾ & ¾ ¾ (16Mr88)
MEPC PLC 4¾% Cum Prf Stk £1 - 40 (15Mr88)
9¾% 1st Mtg Deb Stk 97/2002 - £98¾
10¾% 1st Mtg Deb Stk 2024 - £106¾ ¾
12% 1st Mtg Deb Stk 2017 - £116¾ 7¾ (15Mr88)
8% Uns Ln Stk 2000/05 - £83¾ (14Mr88)
6¾% Cnv Uns Ln Stk 95/2000 - £151
Merlin International Properties Ld Ord 25p - 100 ¾ 1 ¾
Cum Red Cnv Prf £1 - 88 92 (16Mr88)
Muckiow(A.& J.)Group PLC 13¾% 1st Mtg Deb Stk 2000/05 - £118¾ (14Mr88)
Peachey Property Corp PLC 5% Cum Prf £1 - 45 (11Mr88)
9.5% 1st Mtg Deb Stk 2015 - £92 ¾ ¾ ¾ (16Mr88)
Peel Hldgs PLC 10% Cum Prf 50p - 54 (11Mr88)
5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 110
8¾% 1st Mtg Deb Stk 2011 - £95¾ ¾ ¾ 0¾ ¾ ¾ ¾ ¾
Property Security Inv Trust PLC 8% Cum Prf £1 - 106 9 (11Mr88)
Regis Property Hldgs PLC 8¾% Gtd Uns Ln Stk 1997 - £87 (16Mr88)
Reliable Properties PLC 25p - £10 (14Mr88)
Rosehaugh Greycoat Estates PLC 11% 1st Mtg Deb Stk 2014 - £105 (14Mr88)
Rush & Tompkins Group PLC 7.5% Cnv Cum Red Prf £1 - 116♦
Samuel Properties PLC 11% 1st Mtg Deb Stk 2010 - £108¾ ¾ (14Mr88)
Scottish Metropolitan Property PLC 10¾% 1st Mtg Deb Stk 2018 - £99¾ (11Mr88)
Slough Estates PLC 7¾% 1st Deb Stk 85/90 - £95¾ (15Mr88)
Tops Estates PLC 10¾% 1st Mtg Deb Stk 2011/16 - £98¾♦
Town Centre Securities PLC 9% Cnv Uns Ln Stk 98/2000 - £170♦
United Kingdom Property Co PLC 8¾% Uns Ln Stk 2000/05 - £82¾
Warner Estate Hldgs PLC 10¾% Cum Prf £1 - 130♦
Wates City of London Properties PLC Ord 25p - 187 & 70 70 2 2
Webb(Joseph) PLC 7¾% Cum Prf £1 - 72 ¾ (14Mr88)

Plantations No. of bargains included25

Anglo-Eastern Plantations PLC Warrants to sub for Ord - 12 (15Mr88)
12¾% Uns Ln Stk 95/99 - £97 (15Mr88)
Chillington Corporation PLC 9¾% Cum Red Prf £1 - 112
9% Cnv Uns Ln Stk 1999 - £110
Dunlop Plantations Ld 6% Cum Prf £1 - 56¾
Jitra Rubber Plantations PLC Stk 10p - $M2.36 p 60 (14Mr88)
Malakoff Berhad $M 1 - 60
Padang Senang Hldgs PLC 10p - 75 80 (14Mr88)

Railways No. of bargains included10

Calgary & Edmonton Railway Co 4% Cons Deb Stk(Gtd by C.P.Ltd)2002 - £30 (15Mr88)
Canadian Pacific Ld Ord (Iss Ldn)(Interch transf) of NPV - £10 10 .05 ,1
4% Non-Cum Prf £Stlg NPV - 32 (14Mr88)
Ontario & Quebec Railway Co 5% Perm Deb Stk(Int Gtd by C.P.) - £38

Shipping No. of bargains included212

Peninsular & Oriental Steam Nav Co 5% Cum Pfd Stk - £45♦
Warrants to purchase Dfd Stk - 125♦
Turnbull Scott Holdings PLC Non V."A"Ord £1 - 570 (15Mr88)

Utilities No. of bargains included26

Barton Transport PLC Dfd 150p - 578 010 (15Mr88)
Bristol Channel Ship Repairers PLC Ord 10p - 12 ¾ ¾ ¾
CESC Ld Equity Ru10 - 25
GTE Corporation Com Stk $0.10 - £20¾ (14Mr88)
Manchester Ship Canal Co 5% Perp Prf £1 - 415 30 (16Mr88)
Mersey Docks & Harbour Co Combined Units - 302 ¾ 3
6¾% Red Deb Stk 94/97 - £76 (11Mr88)
6¾% Red Deb Stk 96/99 - £72 (11Mr88)
Southern California Edison Co Shs of Com Stk $4 1/6 - $31.6235 (15Mr88)
US WEST Inc Shs of Com Stk of NPV - $52¾ (15Mr88)

Water Works No. of bargains included3

Bristol Waterworks Co 3.5%(Fmly 5%)Cons Prf Stk - £90
10.40% Red Deb Stk 2000/02 (Fp/AL-31/3/88) - £101 (14Mr88)
11.20% Red Deb Stk 2005/09 - £107¾ ¾ (16Mr88)
11¾% Red Deb Stk 2004 - £111¾ ¾ (15Mr88)
Chester Waterworks Co 4.2%(Fmly 6% Max)Ord Stk - £120 (14Mr88)
Colne Valley Water Co "B" 7%(Fmly 10%)Ord Stk - £240 (15Mr88)
East Surrey Water Co 2.8%(Fmly 4%)Pre-Prf Stk - £37 (14Mr88)
Essex Water Co 2.45%(Fmly 3½%)Perp Prf Stk - £30 (11Mr88)
5% Perp Deb Stk - £45 (14Mr88)
7% Deb Stk 86/88 - £96¾ 7¾ (14Mr88)
16% Deb Stk 92/94 - £97¾ (16Mr88)
Folkestone & District Water Co 7%(Fmly 10%)Max Ord £10 - £24 (11Mr88)
4.9%(Fmly 7%)Max New Ord £10 - £24 (11Mr88)
3.5%(Fmly 5%)Max Ord £10 - £10 (11Mr88)
Hartlepools Water Co 3.5%(Fmly 5%)Max Ord Stk - £115 (15Mr88)
Mid Kent Water Co 3.5%(Fmly 5%)Cons Prf Stk - £150 (16Mr88)
Mid-Southern Water Co 3.5%(Fmly 5%)Cons Ord Stk - £130♦
6% Perp Deb Stk - £43 (11Mr88)
7% Red Deb Stk 86/88 - £96¾♦
Mid-Sussex Water Co 4.9%(Fmly 7%)Max Addl Ord Stk - £233 (14Mr88)
Newcastle & Gateshead Water Co 3.5%(Fmly 5%)Cons Prf Stk - £48 (16Mr88)
North Surrey Water Co 3.5% Prf Stk - £40 (14Mr88)
Portsmouth Water Co 3.5%(Fmly 5%)Ord Stk - £195 210 (16Mr88)
South Staffordshire Waterworks Co - £27 (14Mr88)
Tendring Hundred Waterworks Co 5.6%(Fmly 8%)Max Ord £10 - £10¾
5.6%(Fmly 8%)Max Pld Ord £10 - £12
York Waterworks Co Cons Ord Stk 4.9%(Fmly 7% Max) - £348 (15Mr88)

USM Appendix No. of bargains included1242

AmBrit International PLC 0% Cnv Uns Ln Stk 1995 - £95 (16Mr88)
Avesco PLC Cum Ptg Cnv Red Prf 1997 1p - 77 8 ¾ 9
Carron Phoenix PLC Ord 10p - 158 62
City Merchant Developers PLC 5.125% (Net) Cnv Cum Red Prf £1 - 68 8 9 70¾
Colorgen Inc Shs of Com Stk$0.01(Restricted Transfer) - 29
Continental Microwave (Hldgs) PLC 6.6% Cnv Cum Red Prf 2005 £1 - 110 (14Mr88)
Copymore PLC Ord 5p - 136 8 (16Mr88)
Electron House PLC 5.5% Cnv Cum Red Prf £1 - 100 (15Mr88)
Fergebrook Group PLC 12% Cnv Uns Ln Stk 92/97 - £87 (16Mr88)
GWR Group PLC Ord 20p - 330 40 50
Hornby Group PLC Ord 5p - 148 8 51
Hughes (HT) PLC Ord 10p - 75 (14Mr88)
New Ord 10p (Fp/LA-20/4/88) - 77 8 8 80
Johnson Fry PLC Ord 10p - 110
London Forfaiting Co PLC New Ord 40p (Fp/RLA-25/3/88) - 153 5 5 7 8 60
Norfolk House Group PLC New Ord 5p (Fp/AL-8/4/88) - 103 5
Psion PLC New Ord 5p(Fp/LA-7/4/88) - 113 5 0 7 8 9
Randsworth Trust PLC 7% Cum Cnv Red Prf £1 - 77
Ross Consumer Electronics PLC Ord 10p - 120¾ 20
Sharp & Law PLC 8.5% Cum Red Cnv Prf 10p - 187 (15Mr88)
Sigmex International PLC Ord 10p - 50 (16Mr88)
Splash Products PLC Ord 10p - 72 8 7
Tilon Hldgs PLC Ord 10p - 83¾ (11Mr88)
Tranerap Hldgs PLC New Ord 10p(Fp/LA-13/4/88) - 57
Willars Systems PLC Fixed Rate Cnv Cum Red Prf 2p - 125 (16Mr88)
Yelverton Investments PLC 8% Cnv Uns Ln Stk 1997 - £75

The Third Market Appendix No. of bargains included119

Medirace PLC Warrants to sub for Ord - 75
Navan Resources PLC Ord Ir£0.20 - I£0.95 p 84 (16Mr88)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the *Official List.*

ACI Intl. A$3.96 (15/3)
Aberfoyle 170♦ (11/3)
Abitibi-Price £10 (11/3)
Acorn Securities 16♦18♦16,16½,16¾,17¼,17½,18 A$0.362
Air Express International 900 (11/3)
Altiflex Holdings 30¼ (15/3)
Amatil 298 (14/3)
American Barrick Resources Corp Com NPV £11 (16/3)
Amsterdam Rotterdam Bank FL67.7♦67.9
Associated Manganese Mines of SA $59 R157,158 (11/3)
Aust. Development A$1.7 (11/3)
Aust. Oil & Gas 29,34
Ballarat Goldfields 19 (11/3)
Basic Resources (Bahamas) 25 (11/3)
Beverly Enterprises 395
Brascan A £11½ (14/3)
Central Norseman Gold A$1.046,1.08
Central Victorian Gold Mines 3 (16/3)
Community Psychiatric Centers £11.3 (15/3)
Conex Aust. A$0.041
Conic Investment Co 34
Cons. Resources A$0.031 (15/3)
Daicel Chemical Industries Y531.65 (16/3)
Development Bank of Singapore S$10.89♦10.95♦ (14/3)
Devex 19♦18¾,19½,21 A$0.35
Du Pont $85.79
Dynatech Corp £12.6
Energy Oil & Gas A$0.158 (11/3)
Enterra Corp 375 (14/3)
Equity Silver Mines 210♦212½ (15/3)
Fairchild Industries 437½ (16/3)
Free State Cons Gold Mines $10¼ R29.3
Futuris Corp 12¼
Generale Occidentale FR728.998,731.2
Golconda Minerals 14
Grants Patch Mining 8♦8¼
Greenbushes 31♦35
Groupe Bruxelles Lambert BFR3031,696,3041.37,3041.876,3061.625 (14/3)
Hang Lung Development HK$7½ (15/3)
Haoma North West 2
Hexcel Corp $42¼♦42¼♦42½♦42¾♦42¾♦42¾♦
Hooker Corp 94 (15/3)
Horizon Pacific A$0.34 (16/3)
Hunter Resources 16 (15/3)
Interprovincial Pipe Line £18.88
Japan Radio Y1450♦
Jimberlana Minerals A$0.198 (16/3)
Jones (David) A$7.3,7½
Kalgoorlie Resources 5½♦ (15/3)
Kreditkassen NKR145
Kulim Malaysia Ord 18♦18,19
Matsushita Electric Industrial £10.94♦ Y2550♦2564.4♦2670
McCarthy Group 146♦ R7.3♦ (14/3)
Mid-East Minerals 20 (14/3)
Mitsubishi Heavy Inds Y670
Nationale-Nederlanden CVA £16.88♦ FL59.6♦59¾♦59.9♦60♦£17.045,17.07 FL59.93,60,60¼,60.4
New Zealand Goldfields NZ$0.396 (16/3)
Niugini Mining A$4.17♦4.3♦
Norsat International 22½ (11/3)
North Flinders Mines A$6.42,6.521 (16/3)
Oil Search 40♦40,43
Overseas Chinese Banking Corp 168♦ (15/3)
Palabora Mining 537½♦ R27.45 (14/3)
Pancanadian Petroleum £10.85 (14/3)
Pine Vale Investments A$0.568 (15/3)
Pioneer Electronic Y3390
Plenty River Mining Co A$0.071 (15/3)
Poseidon 108 A$2.73
Quaker State $23¼♦ (11/3)
Royex Gold Mining C$4.865♦ (16/3)
Schering-Plough Corp $53♦53¾
Selangor Coconuts 30♦ (11/3)
Sky Line Explortn 437½
Societe Nationale Elf Aquitaine £25.28♦ FR267♦ £25.28,25.6 FR265,267,268
Source Perrier FR588
Southwest Gold Mines 7♦
Square Gold & Minerals A$0.248♦ (11/3)
Sumitomo Metal Industries Y362.7 (15/3)
Sun Electric Corp 590 (11/3)
Sun Hung Kai Properties 68♦HK$9.814♦
Swire Pacific 'B' 18½ (15/3)
Target Petroleum Ord 24♦25 (15/3)
Target Petroleum 9
Terramar Resources 25 (16/3)
Vultan Minerals A$0.432
Westfield Minerals 90 (16/3)
Westralian Sands A$1.455 (16/3)
Wharf Hldgs HK$6.892

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Anglo American Agriculture 75 (15/3)
Ann Street Brewery 700 (14/3)
Barbican Hldgs 1¼,¾
Barrington Management Intl. Income 160.9
Carraun 10,1
Dawson 401 (15/3)
Dolphin Intl. 28,9 (14/3)
Electrak Hldgs. 23 (16/3)
Fredericks Place Hldgs. 50⅛
Do. Cons. Defd. 5
Greenstar Hotels 48
Groucho Club London 30 (15/3)
Harvard Secs 13 (15/3)
Jennings Bros 205,10
Le Riches Stores 395 (14/3)
Littlewoods Org. 12% S Cum. Prf. 138,40 (15/3)
Liverpool FC £250 (14/3)
Merritt 410,20 (16/3)
Owl Creek Inns. 17,9 (11/3)
Park Lane Hotel 650 (11/3)
Perril Group 14¼
Shepherd Neame 510,20 (11/3)
Sinclair Research 65,6 (11/3)
Southern Newspapers 310,25
Thwaites (Daniel) 748,54 (11/3)
Uol Loan Corps. 30 (15/3)
Villiers 6% B Prf. 25
Wadsworth 9¼% Cum. Prf. 25
Weetabix A 375 (15/3)
Wistech 50
Wolverhampton Racecourse 280 (15/3)

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LEADERS AND LAGGARDS

Percentage changes since December 31 1987 based on Thursday March 17 1988

Contracting, Construction	+ 17.16	Overseas Traders	+ 7.82
Property	+ 15.64	Industrial Group	+ 7.61
Leisure	+ 15.57	Financial Group	+ 7.33
Shipping & Transport	+ 15.33	Publishing & Printing	+ 6.94
Agencies	+ 13.79	Consumer Group	+ 6.68
Telephone Networks	+ 13.42	Insurance (Life)	+ 6.12
Investment Trusts	+ 12.90	Merchant Banks	+ 5.55
Health & Household Products	+ 11.07	Other Industrial Materials	+ 4.72
Mechanical Engineering	+ 10.88	Packaging & Paper	+ 4.31
Brewers and Distillers	+ 10.15	Electricals	+ 4.21
Oil & Gas	+ 9.37	Food Retailing	+ 4.07
Building Materials	+ 9.29	Electronics	+ 3.72
Conglomerates	+ 9.14	Banks	+ 3.59
Other Groups	+ 8.81	Food Manufacturing	+ 3.28
Motors	+ 8.93	Stores	+ 2.46
Insurance (Composite)	+ 8.48	Chemicals	+ 0.83
Capital Goods	+ 8.04	Mining Finance	0.00
Metals & Metal Forming	+ 8.01	Textiles	- 0.38
500 Share Index	+ 7.88	Insurance (Brokers)	- 2.28
All Share Index	+ 7.80	Gold Mines Index	- 18.17

RISES AND FALLS

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	88	20	6	339	193	38
Corporations, Dom. and Foreign Bonds	9	13	29	73	63	119
Industrials	649	228	688	2,361	1,648	3,803
Financial and Props	293	62	288	1,006	500	1,705
Oils	50	15	44	152	106	287
Plantations	2	1	10	11	6	48
Mines	63	48	93	259	232	521
Others	157	26	89	470	271	602
Totals	1,311	413	1,247	4,671	3,019	7,123

BANK RETURN

BANKING DEPARTMENT	Wednesday March 16, 1988	Increase (+) or decrease (-) for week
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	87,139,195	+ 9,066,313
Bankers Deposits	1,048,059,784	- 105,738,535
Reserve and other Accounts	1,828,592,766	- 654,568,527
	2,978,344,745	- 751,240,749
ASSETS		
Government Securities	703,305,027	+ 118,190,000
Advance and other Accounts	933,755,271	+ 187,804,782
Premises Equipment & other Secs	1,327,037,158	- 1,053,100,434
Notes	11,929,965	+ 7,885,718
Coin	304,326	- 20,813
	2,978,344,745	- 751,240,749
ISSUE DEPARTMENT		
LIABILITIES		
Notes in circulation	13,368,070,035	+ 22,114,284
Notes in Banking Department	11,929,965	+ 7,885,716
	13,380,000,000	+ 30,000,000
ASSETS		
Government Debt	11,015,100	
Other Government Securities	3,335,025,152	- 140,319,349
Other Securities	10,033,959,748	+ 170,319,349
	13,380,000,000	+ 30,000,000

BASE LENDING RATES

	%		%		%
ABN Bank	8½	Citibank NA	8½	Nat. Bk. of Kuwait	8½
Adam & Company	8½	City Merchants Bank	9	NatWestminster	8½
AAB - Allied Arab Bk	9	Clydesdale Bank	8½	Northern Bank Ltd	8½
Allied Irish Bank	8½	Comm. Bk. N. East	8½	Norwich Gen. Trust	8½
Henry Ansbacher	8½	Consolidated Cred	8½	PK Finans. Intl(UK)	9
ANZ Banking Group	9	Co-operative Bank	*8½	Provincial Bank PLC	9
Associates Cap Corp	10	Cyprus Popular Bk	8½	R. Raphael & Sons	8½
Authority Bank	8½	Dunbar Bank PLC	8½	Roxburghe G'rantee	10
B & C Merchant Bank	8½	Duncan Lawrie	8½	Royal Bk of Scotland	8½
Banco de Bilbao	8½	Equatorial Bank plc	9	Royal Trust Bank	8½
Bank Hapoalim	8½	Exeter Trust Ltd	9	Smith & Williamson Secs.	8½
Bank Leumi (UK)	9	Financial & Gen. Sec.	8½	Standard Chartered	8½
Bank Credit & Comm	9	First Nat. Sec. Ltd.	9½	TSB	9
Bank of Cyprus	9	● Robert Fleming & Co.	9½	BDT Mortgage Exp	‡10.2
Bank of Ireland	8½	Robert Fraser & Ptnrs.	9½	United Bk of Kuwait	8½
Bank of India	8½	Girobank	8½	United Mizrahi Bank	8½
Bank of Scotland	8½	Grindlays Bank	9	Unity Trust Bank Plc	9
Banque Belge Ltd	8½	● Guinness Mahon	8½	Western Trust	8½
Barclays Bank	8½	HFC Trust & Savings	8½	Westpac Bank Corp.	8½
Benchmark Bank PLC	9	● Hambros Bank	8½	Whiteaway Laidlaw	9
Berliner Bank AG	8½	Heritable & Gen Inv Bk	8½	Yorkshire Bank	8½
Brit. Bk of Mid East	9	● Hill Samuel	§8½		
● Brown Shipley	9	C. Hoare & Co.	8½		
Business Mtge Tst.	8½	Hongkong & Shangh	9		
CL Bank Nederland	8½	Lloyds Bank	9		
Central Capital	8½	Meghraj Bank Ltd	8½		
● Charterhouse Bank	8½	Midland Bank	8½		
		● Morgan Grenfell	8½		
		Mount Banking Corp.	8½		

● Members of the Accepting Houses Committee. * 7 day deposits 3.50% Savewise 6.16%. Top Tier-£2,500+ at 3 months' notice 7.81%. At call when £10,000+ remains deposited. ‡ Mortgage base rate. § Demand deposit 4.00%. Mortgage 9.625% - 10.%

EUROPEAN OPTIONS EXCHANGE

Series		May 88 Vol	May 88 Last	Aug. 88 Vol	Aug. 88 Last	Nov. 88 Vol	Nov. 88 Last	Stock
GOLD C	$ 460	7	7.50	109	17	-	-	$ 442.90
GOLD P	$ 440	49	8	3	12.60	-	-	$ 442.90
		Mch. 88		Apr. 88		May 88		
EOE Index C	Fl. 175	41	35.70 B	16	35 B	-	-	Fl. 210.55
EOE Index C	Fl. 180	133	30.70 B	3	30 B	-	-	Fl. 210.55
EOE Index C	Fl. 185	499	25.70 B	75	25.50	-	-	Fl. 210.55
EOE Index C	Fl. 190	213	20.70 B	83	20.50	-	-	Fl. 210.55
EOE Index C	Fl. 195	380	15.70 B	57	16.20	5	18	Fl. 210.55
EOE Index C	Fl. 200	136	10.80 A	125	13	66	14 A	Fl. 210.55
EOE Index C	Fl. 205	624	5.70	197	9.50	21	10.80	Fl. 210.55
EOE Index C	Fl. 210	-	-	545	6.70	937	8	Fl. 210.55
EOE Index P	Fl. 185	-	-	145	0.80	22	2	Fl. 210.55
EOE Index P	Fl. 190	-	-	74	1.50	65	4	Fl. 210.55
EOE Index P	Fl. 195	-	-	124	2.10	4	5.50	Fl. 210.55
EOE Index P	Fl. 200	2	0.10	139	5.60	254	7.50	Fl. 210.55
EOE Index P	Fl. 205	-	-	187	5.60	7	9.50	Fl. 210.55
EOE Index P	Fl. 210	-	-	251	7.50 B	11	13	Fl. 210.55
S/FI C	Fl. 185	268	4.80	67	5.50	25	5.90	Fl. 190.25
S/FI C	Fl. 190	1241	0.30	238	2.20	7	3.20	Fl. 190.25
S/FI C	Fl. 195	-	-	10	8.60 B	888	1.40	Fl. 190.25
S/FI P	Fl. 180	-	-	520	0.20	-	-	Fl. 190.25
S/FI P	Fl. 190	864	0.20	73	2.50	1	3.80	Fl. 190.25
S/FI P	Fl. 195	728	5.10	-	-	-	-	Fl. 190.25
S/FI P	Fl. 200	603	10	-	-	-	-	Fl. 190.25
S/FI P	Fl. 205	331	15	-	-	-	-	Fl. 190.25
S/FI P	Fl. 210	39	20	-	-	-	-	Fl. 190.25
		Apr. 88		Jul. 88		Oct. 88		
ABN C	Fl. 40	886	2.60	193	3.50	235	3.80	Fl. 42.20
ABN P	Fl. 40	184	0.60	13	2	-	-	Fl. 42.20
AEGON C	Fl. 75	91	2.10	161	3.50	26	5	Fl. 74.10
AHOLD C	Fl. 75	73	2.90	56	4.50	2	6.50	Fl. 76.10
AHOLD P	Fl. 70	44	0.80	23	2.70	-	-	Fl. 76.10
AKZO C	Fl. 100	339	8.70	683	10.20	68	13.20	Fl. 107.20
AKZO P	Fl. 100	100	1.30	563	5.80	36	8	Fl. 107.20
AMEV C	Fl. 50	95	6.20	356	7	8	7.50	Fl. 55.10
AMEV P	Fl. 45	-	-	50	1.50	-	-	Fl. 55.10
AMRO C	Fl. 70	767	2.20	224	3.20	64	4	Fl. 69.70
AMRO P	Fl. 65	40	0.60	5	2.40	-	-	Fl. 69.70
BUHRMANN-T C	Fl. 45	228	2.80	148	5.80	-	-	Fl. 46.40
BUHRMANN-T P	Fl. 45	27	1.30	46	2.70	22	4.40	Fl. 46.40
ELSEVIER C	Fl. 50	1026	5.60	266	4.70	26	6.50	Fl. 52.80
HOOGOVENS C	Fl. 30	448	6.80	85	8	13	8.50	Fl. 36.70
HOOGOVENS P	Fl. 35	30	1.50	341	2.70	-	-	Fl. 56.70
KLM C	Fl. 35	441	1.60	533	3.20	99	3.60	Fl. 35.20
KLM P	Fl. 55	31	1.30	112	2.70	4	3.70	Fl. 35.20
KNP C	Fl. 150	-	-	152	5.50	5	4.30	Fl. 139.70
KNP P	Fl. 130	28	3	39	6.80	2	9	Fl. 139.70
NEDLLOYD C	Fl. 218	203	3.70	201	11	4	17	Fl. 200.50
NAT. NED. C	Fl. 65	59	8.80	371	1.70	39	5 A	Fl. 60.90
NAT NED. P	Fl. 55	25	0.50	267	1.70	102	2.70	Fl. 60.90
PHILIPS C	Fl. 30	791	1.20	749	2.28	302	2.90	Fl. 30.60
PHILIPS P	Fl. 27.50	200	0.50	179	1.50	-	-	Fl. 30.60
ROYAL DUTCH C	Fl. 220	1207	8.70	299	10.20	378	11.80	Fl. 227
ROYAL DUTCH P	Fl. 220	546	2.20	68	9.10	51	14	Fl. 227
UNILEVER C	Fl. 120	845	2.80	476	5.80	42	8	Fl. 118.30
UNILEVER P	Fl. 100	14	8.40	240	2	4	5.90	Fl. 118.30

TOTAL VOLUME IN CONTRACTS : 58,584

A=Ask B=Bid C=Call P=Put

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

	Bid Price	Offer Price	+ or -	Yield Gross
Abbey Unit Tst. Mngrs. (a)				
80 Holdenhurst Rd, Bournemouth			0345 717373	
High Income				
American Income	40.9	43.7	+0.9	6.27
Gilts & Fixed Int.	112.9	121.0xd	.....	9.09
High Inc Equity	118.7	126.9	+1.4	4.69
Worldwide Bond	187.4	199.2	+0.7	4.87
Capital Growth				
American Growth	146.5	156.6	+2.7	1.49
Asian Pacific	58.2	62.2	+0.9	1.95
Assets & Earnings	130.2	139.2	+1.4	1.49
Capital Reserve	77.9	78.0xd	.....	1.29
Comdty & Energy	85.6	91.5xd	+1.8	8.00
European Capital	66.1	70.6	+0.5	1.06
General	162.1	173.3	+2.4	2.60
Japan	91.7	98.0	+1.4	0.00
Mastertrust	69.3	74.1	+0.9	2.51
UK Growth Acc.	177.2	189.5	+1.5	1.28
UK Growth Dist.	120.8	129.1	+0.4	1.88
US Emerging Co's	39.6	42.3	+1.1	0.00
Income & Growth	247.5	264.7	+3.1	3.59
Ethical Growth	41.6	44.4	+0.5	2.82
Abtrust Management Ltd				
10 Queens Terrace, Aberdeen AB9 1QJ			0224 633070	
20 Chiswell St, London EC1Y 4TY			01-374 6001	
BK Growth	31.3	33.3	+0.6	3.15
Nth Amer Inc (z)	24.3	25.9	+0.3	4.77
World Grth	38.7	41.1	+0.6	1.23
Extra Income	38.3	40.7xd	+0.5	6.11
Formerly Agilic Trust Managers Limited				
American	39.1	41.7	+0.9	2.20
Amer Extra Inc	35.4	37.7	+0.5	6.15
Australian	17.7	18.9	+0.7	1.86
European	40.6	43.2	+0.5	1.38
Gilt & Fixed Int	23.3	24.8xd	.....	9.68
Global Income	34.1	36.3	+0.4	3.33
High Income	54.3	57.8	+0.9	5.27
Income Growth	65.0	69.5	+0.6	4.32
International	82.8	87.3	+1.3	0.61
Japan & General	155.9	165.9	+2.0	0.01
Special Situations	63.1	67.2	+0.5	1.32
AEtna Unit Trusts Ltd (a)(b)(c)				
401 St John St, London EC1V 4QE			01-837 6494	
European Growth	99.6	106.5	-2.1	1.12
Exempt	383.4	404.9xd	-0.4	4.7
(Accum Units)	929.1	982.0	-2.0	4.7
Far Eastern	193.2	207.8xd	+2.2	-
(Accum. Units)	208.8	224.4	+2.5	-
Fin & Property	80.1	84.9	+0.5	2.32

	Bid Price	Offer Price	+ or -	Yield Gross
CCL Unit Trusts Limited				
74, Shepherds Bush Green, Ldn, W12 8SD			01-740 7070	
UK General Tst	45.1	48.2	+0.5	2.76
Global Tst	37.7	40.3	+0.4	2.17
Recovery Tst	49.5	52.4	+0.5	2.00
CIBC Unit Trust Managers plc				
Cottons Ctr, Cottons Lane, Ldn. SE1 2QL			01 234 6000	
Growth Fd	100.5	106.0	+1.2	3.27
CS Fund Managers Limited				
125 High Holborn, London WC1V 6PY			01-242 1148	
CS America Fd	44.5	47.3xd	+0.9	1.06
CS International Fd	46.1	49.0	+0.9	2.32
CS Japan Fd	108.5	115.4	+1.0	0.43
CS Portfolio Inc Fd	59.4	63.2	+1.0	3.16
Canada Life Unit Trust Mngrs. Ltd				
2-6 High St, Potters Bar, Herts			0707 51122	
Can. Gen. Dist	126.4	133.0	+1.5	5.26
Do. Gen Accum	205.5	216.3	+3.0	3.26
Do. Income Dist	91.4	96.2	+0.9	5.11
Do. Inc. Accum	197.3	207.6	+1.9	5.11
Gilt & Fxd Int. Tst	38.2	40.2xd	-0.1	0.00
Cannon Fund Managers Ltd				
1 Olympic Way, Wembley, HA9 0NB				
01-902 8876.			Dealing: 0800 282621	
Growth	32.1	34.1	+0.1	2.95
Income	41.0	43.6	-0.1	4.46
Far East	27.0	28.7	+0.3	0.22
North American	27.3	29.0	+0.4	0.71
Global	43.9	46.7xd	+0.4	0.74
European	38.8	41.3xd	+0.3	1.90
Japan	84.8	90.2	+0.7	0.01
Intl Currency Bd	44.4	47.2	-	6.36
James Capel Unit Trust Mngt. Ltd				
P.O. Box 552, 77 London Wall, London EC2N 1DE				
			01-588 0998	
Capital	402.4	428.4	+6.0	2.55
European Spec Sits	46.8	50.0	.....	1.0
Far East Spec Sits	46.3	50.8	.....	1.0
Gold & General	46.5	50.0	.....	1.8
Income	351.1	374.6	+4.0	5.21
Intl Spec Sits	46.8	50.0	.....	1.5
North American (z)	235.0	250.9	+5.3	1.09
Capital House Unit Trust Mngrs				
Capital House, Festival Square, Edinburgh.				
031-228 4477 Dealing 0800 833561				
European Grth Tst(z)	18.2	19.3	+0.1	2.37
Income & Grth Tst	18.3	19.4xd	+0.2	3.50
Intnl Grth Tst(z)	19.3	20.5	+0.2	1.87
Japan Grth Tst(z)	21.5	22.8	+0.5	0.00
N. Amer Growth Tst(z)	20.7	22.0	+0.4	1.59
UK Growth Tst	19.1	20.3	+0.2	1.96
Cent. Bd. of Fin. of Church of England‡‡				
2 Fore Street, London EC2Y 5AQ			01-588 1815	
Inv Fund Feb 29		440.70	.....	4.74
Fxd Inc Secs Feb 29		146.45	.....	9.76

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds				
Wealth Assoc.	381.7	401.9	......	–
Eb'r Ph. Eq.	316.0	337.6	......	–
Pension Plan Funds				
Phoenix				
S K Equity Acc.	169.6	178.5	+2.6	–
International Acc.	129.2	135.9	+1.6	–
Property Acc.	125.6	132.2	......	–
Fixed Interest Acc.	155.7	163.8	......	–
Money Acc.	137.3	144.5	+0.1	–
Bldg. Soc. Link Acc.	134.5	141.5	+0.1	–
Special Mngd. Acc.§	149.2	157.0	+1.5	–
Phoenix/Framlington				
Intnl. Growth Acc.	88.2	92.0	–0.5	–
Amer. & Gen. Acc.	80.5	84.7	–0.9	–
Capital Tst. Acc.	175.4	184.6	–0.7	–
Japan & Gen Acc.	178.8	188.2	–1.4	–
American Turn. Acc.	83.1	87.4	–0.4	–
Recovery Tst. Acc.	170.6	179.5	–1.9	–
Special Mngd Acc.	143.3	150.8	–0.3	–
Phoenix/GT				
International Acc.	120.2	126.5	–0.1	–
US & General Acc.	89.0	93.6	+0.2	–
Amer Spec Sits Acc.	64.7	68.1	+0.2	–
Japan & General Acc.	173.7	182.8	+0.4	–
Far East & Gen. Acc.	137.1	144.3	+1.1	–
UK Capital Acc.	173.4	182.5	–0.1	–
European Acc.	132.5	139.4	–0.4	–
Special Mngd. Acc.	125.4	131.9	+0.2	–

Pioneer Mutual Insurance Co Ltd
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

Managed Fund	268.6	282.8	......	–
Max Pens Inc & Cap Fds.	344.6	362.8	......	–
Money Fund	111.6	117.5	......	–
Pens. Mngd Fd (Init)	85.9	90.5	......	–
Pens Mngd Fd (Acc)	96.0	101.9	......	–
Pens FT30 Fd (Init)	130.5	137.4	......	–
Pens FT30 Fd (Acc)	147.1	154.9	......	–
Pens O'seas MgFd(Init)	55.7	58.7	......	–
Pens O'seas MgFd(Acc)	62.8	66.2	......	–
Pens Fxd Int Fd (Init)	100.9	111.5	......	–
Pens Fxd Int Fd (Acc)	119.4	125.7	......	–
Pens Deposit Fd (Init)	101.0	106.4	......	–
Pens Deposit Fd (Acc)	113.7	119.7	......	–

Premium Life Assurance Co Ltd
37–39, Perrymount Road, Haywards Heath 0444 458721

American	89.0	94.0	+1.0	–
Building Soc. Fd.	159.0	168.0	......	–
Balanced	235.0	248.0	+2.0	–
Deposit	159.0	168.0	......	–
European	120.0	127.0	+3.0	–
GT Managed	148.0	156.0	......	–
Gartmore Mngd	97.0	105.0	+1.0	–
German	94.0	99.0	+2.0	–
Gilt	166.0	173.0	......	–
High Inc.	106.0	112.0	+3.0	–
International Equity	151.0	159.0	+5.0	–
Japan	204.0	215.0	+2.0	–
Managed	51.0	54.0	......	–
Property	244.0	257.0	......	–
B W Imperial Gold	124.0	131.0	–1.0	–
UK Equity	305.0	322.0	+2.0	–
Pension Funds				
American	87.0	92.0	......	–
Building Soc. Fd.	149.0	157.0	......	–
Balanced	174.0	184.0	+1.0	–
Deposit	147.0	155.0	......	–
European	119.0	126.0	–1.0	–
GT Managed	152.0	160.0	......	–
Gartmore Mngd	96.0	102.0	......	–
German	89.0	94.0	+1.0	–
Gilt	136.0	144.0	......	–
International Equity	102.0	108.0	+1.0	–
Japan	131.0	138.0	+1.0	–
Managed	51.0	54.0	......	–
Property	181.0	191.0	......	–
UK Equity	256.0	270.0	+4.0	–

Prolific Life & Pensions Ltd (z)
Stramongate, Kendal, Cumbria LA9 4BE 0539 33733

Managed Fd.	501.0	528.8	+6.0	–
Cash Fd	214.8	226.4	–0.0	–
Property Fund	251.1	264.6	+14.3	–
Equity Fund	543.6	572.9	+5.6	–
Fxd. Int. Fund	290.0	305.6	–0.3	–
International	244.6	257.8	+3.7	–
High Income	415.1	437.5	+2.9	–
Far East	364.5	384.1	–0.2	–
North American	205.6	218.8	+4.0	–
Special Sits.	494.5	526.1	+4.7	–
Technology	219.2	233.2	+1.3	–
Extra Inc Fd	241.6	254.6	+3.0	–
Convertible & Gilt Fd.	144.2	152.0	+0.7	–
American Income	99.6	106.0	+1.4	–
Gilt Fund 20.	298.3	317.4	–0.3	–
European Fund	78.2	83.2	–0.5	–
Managed Pens. Acc.	458.5	482.6	+5.2	–
Building Soc. Acc.	213.4	224.6	–0.0	–
Property Pens. Acc.	251.5	264.7	+24.0	–
Fix. Int. Pens. Acc.	338.7	356.5	–0.2	–
Equity Pens. Acc.	593.8	625.0	+5.0	–
International Pens Acc.	215.7	227.0	+3.5	–
High Inc Pens Acc.	413.5	435.1	+3.1	–

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 01-405 9222

Prufund				
Managed Mar 16	198.3	206.6	......	–

Prudential Holborn Life Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Managed Fd.	439.1	462.3	......	–
Equity Fd.	906.6	954.4	+10.9	–
Intnl. Fd.	304.3	320.4	......	–
Fixed Int. Fd.	366.7	386.1	......	–
Prop. Fd.	314.6	331.1	......	–
Cash Fd	235.0	247.4	+0.1	–
Pacific Basin Fd.	168.4	177.3	......	–
North American Fd.	125.7	132.4	......	–
European Fd.	130.2	137.1	......	–
Holborn Balanced Cash Fd	100.3	105.6	......	–
Holborn Strategic Cash Fd.	99.2	104.5	......	–

Prudential Holborn Pensions Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Managed	468.2	492.9	......	–
Equity	679.7	715.5	+4.0	–
Global Equity	193.7	203.9	......	–
Fixed Interest	376.8	396.7	+1.1	–
Property	307.0	324.0	+0.1	–
Cash	138.3	145.6	......	–
Index Linked Gilt	163.7	172.4	......	–
Guaranteed	8.68	–	......	–
International Money	182.5	192.2	–0.2	–
North American Fd	55.9	58.9	......	–
Japanese Fund	121.2	127.7	......	–
European Fund	68.5	72.2	......	–
Special Situations Fd	94.6	99.6	......	–
Communications Fund	80.4	84.7	......	–
Smaller Cos Fund	100.6	105.9	......	–

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH 01-405 9222

Discretry Mar 16	£124.80	128.37	......	–
Equity Fund Mar 16	£135.63	139.71	......	–
Intnl Fund Mar 16	£20.02	20.68	......	–
Intl Bond Fd Mar 16	£10.60	10.75	......	–
Fixed Int. Mar 16	£68.57	69.47	......	–
Index Linked Mar 16	£51.86	52.49	......	–
Property Fund Mar 16	£79.52	84.21	......	–
Cash Fund Mar 16	£18.31%	18.51%	......	–
Pru-Linked Retirement Plan				
Managed Fd Mar 16	314.7	327.9	......	–
Cash Fund Mar 16	173.6	180.9	......	–
Prudential Pensions Investment Account				
Pens Man Fd Mar 18	128.7	135.5	......	–
Pens UK Eq Fd Mar 18	238.5	251.4	–0.9	–
Pens Itl Fd Mar 18	143.9	151.5	–0.5	–
Pens Fxd Mar 18	155.3	163.5	–0.8	–
Pens Index Lk Mar 18	127.7	134.5	–0.2	–
Pens Cash Fd Mar 18	113.6	119.6	......	–

Regency Life Assurance Co Ltd
55-57 High Holborn, London WC1V 6DU 01-831 7482

Aggressive Ptflio Fd.	105.6	111.1	–0.3	–
Balanced Ptflio Fd.	281.3	296.0	–10.3	–
Cautious Ptflio Fd.	114.1	120.0	–0.3	–
Elite Fund	103.2	108.6	–0.5	–
European Fund	76.8	80.0	–0.4	–
Far East Fund	103.8	109.2	+1.3	–
Fixed Interest Fund	240.4	253.0	–0.1	–
International Fund	221.0	232.6	+1.1	–
Money Fund	164.9	173.5	......	–
N. American Fd.	90.2	94.9	+1.0	–
Property Fund	379.9	399.8	+4.4	–
UK Equity Fd	342.1	360.0	–0.4	–
A.I.M. Brown Dphs Fd.	85.6	90.1	......	–
Ashlands Sel. Inv. Fd.	102.5	107.9	–0.7	–
Chart Safety First Bd.	105.5	111.0	+0.2	–
Compass Fund	67.6	71.2	–0.3	–
East Master Fd.	84.6	89.1	......	–
Hardwick Growth Fd.	103.7	109.2	......	–
Bentley Haig LR Port.	91.3	96.1	......	–
Millburne Spec Port.	97.5	102.4	......	–

All funds have equivalent pension fund. Series 2 prices shown.
Others available from Regency Life.

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

Deposit Acc Fd.	114.3	120.3	–0.1	–
Equity Acc Fd.	256.5	269.0	+0.5	–
Managed Acc Fd	237.1	249.5	+1.1	–
Prop Fd (1st Issue)	–	403.6	......	–
Prop Acc Fd (2nd Iss)	152.8	160.9	+2.8	–
Unit Trust Mn. Fd	88.9	93.6	+0.1	–
RL Pension Funds				
Deposit Acc.	141.9	149.4	–0.2	–
Equity Acc.	190.0	200.0	–0.9	–
Fixed Int Acc.	149.5	157.4	–2.0	–
Gilt Indx Lnk Acc.	117.4	123.5	–0.1	–
Managed Acc.	222.7	234.4	+1.0	–

Royal Heritage Life Assurance Ltd
20 Clifton St, EC2A 4HX 01-920 0202/0733 262524

[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

The French Prestige Fund
20 Boulevard Emmanuel Servais, Lux. 010 352 21902

Frobisher Fund Limited
PO Box HM 1735, Hamilton, Bermuda 809 295 7447

GT Investment Mngmnt Co SA
2 Boulevard Royal, Luxembourg
Tel. London Agents: 01-283 2575

GT Management Plc
8th Floor, 8 Devonshire Sq, London EC2M 4YJ
Tel: 01-283 2575

Gartmore Fund Managers Ltd. Agents
Gartmore House, 16-18 Monument Street, London EC3R 8AJ 01-623 1212
Investor Services: Freephone 0800-289 336

Gartmore Fund Managers International Ltd
6 Caledonia Place, St Helier, Jersey 0534-27301

Assicurazioni GENERALI SpA
PO Box 132, St Peter Port, Guernsey, CI

Gertrust SA
22 rue de la Cite, 1211 Geneva, Switzerland

Global Asset Management Corps.
PO Box 119, St Peter Port, Guernsey 0481-28715

Global Government Plus Fund
c/o Prudential-Bache Secs (UK) Inc
9 Devonshire Square, London EC2M 4HP

John Govett Mngmnt International Ltd
PO Box 208, St Peter Port, Guernsey, CI 0481 26268

Granville Management Limited
PO Box 73, St Helier, Jersey 0534 73933

Grindlays Capel-cure Intl Mgt Co Ltd
PO Box 153, St Peter Port, Guernsey. 0481 26771

Grofund Invest Managers (Guernsey) Ltd
PO Box 86, Guernsey, Channel Islands 0481-26521

Group One Limited
66 Front Street, Hamilton HM12 Bermuda

Guinness Flight Fund Mgrs (Guernsey) Ltd
PO Box 188, St Peter Port, Guernsey 0481 23506

Hambro Pacific Fund Mgmt Ltd
2110 Connaught Centre, Hong Kong

Hambros Fd Mgrs (CI) Ltd
PO Box 86, Guernsey 0481 26521

Hansard International Ltd.
29-32 Duke Street, Douglas IoM. 0624 72111

Health 2000 Limited
Wellington Hse, Union St, St Helier, Jersey

Hellman Scandinavian Fund Ltd
Tyndall House Douglas, IoM 0624 26484

Henderson Admin. (Guernsey)
PO Box 255, 18-20, Pollet, Guernsey 0481 710651

Henderson Management SA
20 Blvd Emmanuel Servais, Luxembourg. 010 352 21902

Henderson Global Strategy Mngmt SA
20 Blvd Emmanuel Servais, Luxembourg 010 352 21902

Hill Samuel Fd. Mngrs. (Guernsey) Ltd
PO Box 16, 35 High St, St Peter Port, Guernsey, CI

Hill Samuel Investment Services Intl SA

IBI Global Funds Limited
c/o Invest. Bank of Ireland (IOM) Limited, 20 Finch Rd, Douglas, IOM.

The India Fund
c/o Merrill Lynch, 119, Cannon St, EC4 01-382 0933

Indosuez Asia Invest Services Ltd
2606/7 One Exchange Square, Hong Kong

ITEC Beheer B.V.
PO Box 76, 1000 AB, Amsterdam, Holland

Intermarket Fund
2, Boulevard Royal, Luxembourg

International Bond Trust
Boulevard Royal, Luxembourg

International Cash Portfolios
251 S. Lake Ave, Pasadena, CA 91101 USA (213) 681-3700

International Specialty Fund
10a, Boulevard Royal, Luxembourg

Investissements Atlantiques SA
14 Rue Aldringen, Luxembourg

Invicta Investment Management
Cater Allen House, St Helier, Jersey, CI 0534 77552

Isle of Man Assurance Ltd
Derby Hse, Athol St, Douglas, I.O.M. 0624 24141

Ivory & Sime (Guernsey) Ltd
PO Box 208, St Peter Pt, Guernsey. 0481 26268

Jardine Fleming & Co Ltd
GPO Box 11448, Hong Kong

Leopold Joseph & Sons (Guernsey)
Albert House, St Peter Port, Guernsey 0481 712771

Kleinwort Benson Group
20 Fenchurch St, London EC3 01-623 8000

Kleinwort Benson (Guernsey) Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 27111

Kleinwort Benson Islamic Fd Mgmt Ltd
PO Box 44, Guernsey, CI 0481 27111

Korea Growth Trust

Korea International Trust

Lazard Offshore Funds

Le Fonds International Comgest
2, Boulevard Royal, Luxembourg

Liberty ALL-STAR World Equity Portfolio
2, Boulevard Royal, Luxembourg

Lloyds Bank (CI) U/T Mgrs.
PO Box 195, St Helier, Jersey 0534 27561

***Lloyds Bank Geneva Switzerland**
1 Place Bel-Air, CH-1211 Geneva 11 (Switzerland)

Lloyds Intl. Money Market Fund Ltd
PO Box 136, St Peter Port, Guernsey

London Interstate Fund Managers Ltd
PO Box 86, St Peter's Port, Guernsey 0481 26521

MFM Ltd.

M & G (Cayman) Ltd
PO Box 706, Cardinal Avenue, Grand Cayman, BWI

M & G Island Fund
PO Box 44, St Peter Port, Guernsey 0481 27111

McDonnell & Co (Bermuda) Ltd
PO Box HM 1727, Hamilton HM GX, Bermuda

Man International Futures
Sugar Quay, Lower Thames St, London, EC3 01-626 8788

Mannin International Ltd

Manufacturers Hanover Geofunds
PO Box 92, St Peter Port, Guernsey 0481 23961

Mediterranean Fund (SICAV)
2, Boulevard Royal, Luxembourg

Midland Bank Tst. Corp. (Jersey) Ltd
28-34 Hill St, St Helier, Jersey 0534 37788

MIM Britannia International Limited
PO Box 271, Queensway House, Queen Street, St. Helier, Jersey CI 0534 73114

Minerals, Oils Res. Shrs. Fd. Inc.

Multi-Currency Bond Portfolio
2 Boulevard Royal, L

Murray, Johnstone (Inv. Adviser)
7 West Nile St, Glasgow G1 2PX 041-226 3131

NEL Britannia Int Acs Ltd

NICS Europe and Income Fund
10a Boulevard Royal, Luxembourg

NM Income & Grwth Fd
2 Boulevard Royal, Luxembourg

NM Schroder Fin Mgmt Intl Ltd
Box 273 St Peter Port, Guernsey

National Mutual Insurance Co (Bermuda) Ltd

Nat. Westminster Jersey Fd. Mgrs. Ltd

Newport International Management
73 Front St, Hamilton, Bermuda

The New Zealand Fund

Nikko Intl. Cap. Mngt. Co (Europe) Ltd

Nikko Luxembourg S.A.

Nomura Growth Fund SA
2 Boulevard Royal, Luxembourg

Nomura Prudential Fd Pt II
2 Boulevard Royal, Luxembourg

Nomura Prudential Global Portfolio
2 Boulevard Royal, Luxembourg

Northgate Unit Tst. Mngr. (Jersey) Ltd
PO Box 82, St Helier, Jersey 0534 73741

North Star Fund Managers (Cayman) Ltd
c/o The Secretary, P.O. Box 1792, Grand Cayman

Norway Fund Management A/S

Oppenheimer Securities Ltd
66 Cannon St, London, EC4N 6AE 01-329 4146

Oriental Bahamas Ltd

PFC Intermdt Portfolio Fd Mngt Ltd
PO Box 30927, Hong Kong

PES International

Pacific Basin Fund
10a Boulevard Royal, Luxembourg

Pacific Growth Fund
2, Boulevard Royal, Luxembourg

Paribas Bond Fund SA

Perpetual UT Mngrs (Jersey) Ltd

Pierson Heldring & Pierson
PO Box 243, 1000 AE Amsterdam

Premium Life International Ltd
PO Box 141, St Peter Port, Guernsey 0481 21374

Protected Performance Fund

Providence Capital International Ltd
PO Box 121, St Peter Pt, Guernsey 0481 26726

Prudential Intl Financial Services Ltd

Putnam International Advisers Ltd
10-12 Cork St, London W1 01-439 1391

Quantum Fd NV Curacao

Quantus Fund

Reliance/Natwest Commodities

Reliance International Management
PO Box 208 St Peter Port, Guernsey

Rothschild Asset Management (CI)
St Julian's Ct, Guernsey 0481 26741

Rothschild Australia Asset Mgmt Ltd
17 Bridge St, Sydney 2000, Australia

Royal Bank of Canada Funds
RBC Offshore Fund Managers Ltd

Royal Life Intl. Ltd

Royal Trust Fund Mngt (CI) Ltd

Royal Trust North American Bond Fd
43 Boulevard Royal, Luxembourg

SCI/TECH SA
2 Boulevard Royal, Luxembourg

Salve Fund Mngt Ltd

Save & Prosper International
PO Box 73, St Helier, Jersey 0534 73933

Schroder Investment Management Limited

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey 0534 27561

Schroders Asia Limited
25th Floor, 2 Exchange Sq, Hong Kong

Schroders Australia Ltd

Scimitar Worldwide Selection Fund Limited
PO Box 330, St Helier, Jersey 0534 34073

Scrimgeour Kemp-Gee Mngmt., Jersey

Seoul International Trust

Sinvest International Fund-SICAV

Singer & Friedlander Ldn. Agents
21 New St, Bishopsgate, EC2M 4HR 01-623 3000

Skandifond

Societe Generale Merchant Bank plc

Standard Bank Fund Managers

Standard Chartered Off. Money Mkt Fund
PO Box 122, St Helier, Jersey

Sterling Offshore Fund Admin. Ltd.

Strategic International Gold Fund S.A.
18A Boulevard Royal, Luxembourg

Strategic Metals Corp plc Metal Funds

Stronghold Investment Mngrs Ltd.

Sun Alliance International Life
PO Box 77, St Peter Port, Guernsey

TSB Trust Funds (CI)
PO Box 538, 31, The Parade, St. Helier, (CI) 0534 73494

Taipei Fund
c/o Prudential-Bache Capital Funding (Equities) Ltd.
9 Devonshire Square, London, EC2M 4HP

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, Regis House, King William St, London

Target Internat. Management (Jersey) Ltd
PO Box 443, St Helier, Jersey. 0534-75141

Target International (Isle of Man) Ltd
2-3 Upper Church Street, Douglas, IoM

The Thailand Fund
c/o Vickers da Costa Ltd, Cottons Centre, PO Box 208, Hay's Lane, London SE1 2QT 01-234 5555

Thornton Management Ltd.
33 Cavendish Square, London W1M 7HF. 01-493 8545

Top Brand Fund Intl-SICAV

Touche Remnant (Guernsey) Limited
PO Box 208, St. Peter Port, Guernsey 0481 26268

Transworld Bond Trust
2, Boulevard Royal, Luxembourg

Tyndall International (Bermuda) Ltd
P.O. Box 1256, Hamilton, Bermuda 809 29 22760

Tyndall International (Guernsey) Ltd

Tyndall International (Isle of Man) Ltd

Tyndall International (Jersey) Ltd

USA Income Portfolio
2 Boulevard Royal, Luxembourg

US Federal Securities Fund SA
2 Boulevard Royal, Luxembourg

US Pacific Stock Fund

U.S. Treasury Securities Fund Ltd

Unico Invest Fd Mgt Co SA Lux

Uniffe Group

Union-Investment-Gesellschaft GmbH
Postfach 16767, 6000 Frankfurt 16.

Viking Fund-SICAV

Warburg Investment Management Jersey Ltd

Warburg Investment Management Jersey Ltd – Contd.

Warburg Inv Mngmt (Isle of Man) Ltd
4th Floor Victory Hse, Prospect Hill, Douglas, IoM 0624 23956

Wardley Fund Managers (Jersey) Ltd
AIB House, Grenville St, St Helier 0534 59600

Wardley Investment Services Ltd

Wellington Fd Mngrs (Guernsey) Ltd
PO Box 208, St Peter Pt, Guernsey 0481 26268

World Bond Fund-SICAV

World Capital Grwth Fd-SICAV

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Wide Growth Management

Yamaichi Capital Mngt (Guernsey) Ltd

Yamaichi Dynamic Mngt Co SA

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

BRITISH FUNDS—Contd

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
94⅜	81⅛	Treas 8pc 2009	90⅞xd	−⅜	8.75	8.89
101⅜	89⅞	Conv 9pc Ln 2011	100	−½	8.98	8.98
69¾	59⅞	Treas. 5½pc 2008-12‡‡	67⅞	−⅜	8.18	8.77
91⅞	79⅞	Treas. 7¾pc 2012-15‡‡	87⅞	−⅜	8.80	8.92
134⅜	116⅞	Exch. 12pc '13-'17	128⅞	−⅜	9.30	9.06

Undated

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
45⅝	39⅞	Consols 4pc	44	−⅜	9.09	–
41⅞	34⅞	War Loan 3½pc‡‡	39⅛	−⅜	8.93	–
52⅞	46⅞	Conv. 3½pc '61 Aft.	50⅞xd	−⅜	6.89	–
34⅞	29⅞	Treas. 3pc '66 Aft.	32⅞xd	−½	9.18	–
29⅜	24⅞	Consols 2½pc	27⅞xd	−⅛	8.99	–
29⅜	24⅞	Treas. 2½pc	27⅞xd	−⅛	8.99	–

Index-Linked

1987/88 High	Low	Stock	Price £	+ or –	(1)	(2)
119¾	108⅜	Treas 2pc IL '88 (333.9)	118⅞	+⅛	1.00	2.32
101¼	93⅞	Do. 2pc '92‡‡ (385.8)	99⅞xd	+⅜	2.18	2.80
132⅞	119⅞	Do. 2pc '96 (267.9)	131⅞	+⅛	3.25	2.55
111⅞	96⅞	Do 2½pc '01 (308.8)	109⅝xd	+⅜	3.70	3.92
110	94⅛	Do. 2½pc '03 (310.7)	107⅞	+⅛	3.72	3.91
113⅞	94⅞	Do. 2pc '06 (274.1)	108⅝	+⅜	3.77	3.93
108	89⅞	Do. 2½pc '09 (310.7)	102⅞	+⅜	3.76	3.91
113⅞	93⅞	Do. 2½pc '11 (294.1)	106⅞	+⅜	3.76	3.90
95⅞	76⅞	Do. 2½pc '13 (351.9)	88⅞	+⅜	3.73	3.86
103⅞	83⅝	Do. 2½pc '16 (322.0)	95⅞	+⅜	3.68	3.81
101⅞	81⅞	Do. 2½pc '20 (327.3)	93⅞xd	+⅜	3.62	3.73
86⅞	68⅞	Do. 2½pc '24‡‡ (385.3)	78⅞	+⅜	3.57	3.68

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for June 1987: 101.9 and for January 1988: 103.3
(rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
113¾	97½	African Dv Bk 11¼ Ln 2010	107⅞	−⅛	10.39	10.30
109½	93	Asian Dev Bk 10¼pcLn2009	103⅞	−⅛	9.93	9.88
136	117¼	Australia 11½pc 2010	128⅞	−⅛	10.51	10.23
118¼	100½	Do. 11¾pcLn2015	111⅞	−⅛	10.21	10.13
115⅝	99⅜	Euro Inv Bk 11pc Ln 2002	109⅞	−⅜	10.09	9.81
110¼	94⅞	Do. 10¼pc2004	104⅞	−⅜	9.92	9.79
126½	109⅝	Int-Am Dev Bk 12½pc 2003	118⅞	−⅛	10.51	10.01
104⅝	88¼	Do. 9¼pcLn 2015	97⅞	+⅛	9.99	19.00
97⅞	83	Malysia 10¼pcLn 2009	92⅞xd	−⅛	11.70	11.79
130⅞	100⅞	Sweden 13½pc Ln 2010	129⅞	−⅛	10.46	19.15
103½	87⅞	Nat. Mexican State 16½pc 2008	102⅞xd	−⅛	16.07	16.04

CORPORATION LOANS

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
109⅝	103	Birmingham 13½pc 1989	105½	.....	12.80	9.80
119	100½	Do. 11½pc 2012	110⅞	−⅛	10.43	10.34
95¼	82½	GLC 6¾pc 1990-92	93½xd	.....	7.22	8.80
132½	115	Leeds 13½pc 2006	123xd	.....	10.98	10.66
35	22	Liverpool 3½pc Irred.	31xd	.....	11.29	–
96	85	LCC 6¼pc '88-90	93⅞	−1	7.20	9.80
31½	21	Do. 3pc '20 Aft.	30xd	.....	10.00	–
115	103½	Manchester 11½pc 2007	109	.....	10.55	10.40

COMMONWEALTH & AFRICAN LOANS

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
92¾	81¼	NZ 7¼pc 1988-92	92¼	.....	7.86	9.40
207	165	S Rhod 2½pc Non-Assd.	197	.....	–	–
78	65	Do. 4½pc 87-92 Assd.	71½	.....	–	–
860	70	Zimbabwe Ann (£100pd)	89½xd	.....	–	–

LOANS

Building Societies

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101⅛	99⅝	[illegible] 9⅞pc 11.8.88	100⅛xd	.....	[illegible]	9.00
102	98	[illegible] 9⅞pc 3.5.88	100⅛	.....	[illegible]	8.78
101	[illegible]	[illegible] 8⅞pc 23.5.88	99⅞	.....	[illegible]	9.02
100	[illegible]	[illegible] 8⅞pc 20.6.88	99⅞	.....	[illegible]	9.05
100	[illegible]	[illegible] 9¾pc 11.7.88	100⅛	.....	[illegible]	9.20
100	99	[illegible] 10pc 1.8.88	100¼	.....	[illegible]	9.23
101	99⅞	Do 10⅛pc 22.8.88	100⅞xd	.....	[illegible]	9.25
101	99⅞	[illegible] 10⅛pc 12.9.88	100⅞	.....	[illegible]	9.38
101	99⅜	Do. 10⅛pc 26.9.88	100⅛	.....	[illegible]	9.39
101	100	Do. 10⅞pc 31.10.88	100⅞	.....	[illegible]	9.39
[illegible]	99	Do. 9¼pc 28.11.88	99⅞	.....	[illegible]	9.66
[illegible]	[illegible]	Do. 9¼pc 28.12.88	100	.....	[illegible]	9.55
[illegible]	99	Do. 9⅞pc 23.1.89	100⅛	.....	[illegible]	9.68
102¼	84	[illegible] 3¾pcIL Ln 2021	92½	.....	[illegible]	4.58

Public Board and Ind.

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
95¼	84	Agric. Mt. 5pc '59-89	95¼	+½	5.25	8.89
48	38½	Met. Wtr. 3pc 'B'	47xd	.....	6.38	9.85

Financial

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
107	99	Inv in Ind 11⅞pc Uns Ln '90	103½	+⅛	11.35	9.55
98½	83½	Do 7¼pcA 1989-92	94¼	+½	7.69	8.74
113⅞	103	Do. 12¼pc Un. Ln. 1992	108⅞	+⅛	11.48	9.73
98½	81⅞	Do. 7¼pcA 1991-94	92¼	+⅛	7.86	8.84
101⅞	89⅞	Do. 9pcA 1991-94	100⅞xd	+⅛	8.97	8.92
100	85⅞	Do. 8¾pc Ln 1992-97	98⅞xd	+⅛	8.98	9.06

FOREIGN BONDS & RAILS

1987/88 High	Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
53	42	Greek 7pc Ass.	45	.....	3.50	17.78
52	40	Do. 6pc 28 Stb. Ass.	45	.....	3	16.67
50	45	Do 4pc Mixed Ass.	45	.....	2	14.44
75	58	Hung. '24 Ass.	65	.....	2.75	14.23
146½	122⅞	Hydro Quebec 15pc 2011	139⅝	.....	15.08	10.45
136¼	115½	Iceland 14½pc Ln 2016	126⅞	−⅛	14.50	11.32
103½	94	Ireland 9¾pc '91-96	100¼xd	.....	9.75	9.70

AMERICANS

1987/88 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
42	23⅝	Abbott Laboratories‡	26⅞	+¼	$1.00	–	2.0
18⅞	420p	‡Allegheny & W 1c	527p	+21	30c	–	3.1
19¾	7¾	Amax $1	10¼	+⅛	–	–	–
30¾	11½	Amdahl 5c	19⅜	−⅛	20c	–	0.6
35¾	10⅞	Amer. Cyanamid $5	22⅝	.....	$1.05	–	2.1
25⅝	11⅞	Amer. Express 60c	14⅝xd	+⅜	76c	–	2.8
12¾	636p	Amer. Medical Int. $1	814p	+24	‡72c	–	4.8
22½	14¼	American T. & T. $1	15¼	+¼	$1.20	–	4.2
65½	43½	Ameritech $1	51½	+½	h$4.72	–	5.0
24⅝	14½	Amfac‡	15⅝	+⅛	–	–	–
25	16	Anheuser-Busch $1	17¼xd	+⅛	60c	–	1.9
98p	33p	‡AridTech‡	23½p	+1½	–	–	–
10¼	3⅞	BankAmerica $1⅝	5⅞	+⅛	–	–	–
34⅝	14⅝	Bankers N.Y. $10	18⅞	+¼	$2.64	–	4.9
49½	34½	Bell Atlantic $1	39	+¼	$3.84	–	5.4
27	18	BellSouth Corp	21⅞	+⅛	$2.20	–	5.5
12½	4¼	‡Bethlehem Steel $8	12½	+⅜	–	–	–
20½	624p	Bio-Rad Labs. Inc. "A"	10⅝	+⅛	–	–	–
27¾	13⅞	Bowater Inc.	19⅞xd	+½	92c	–	2.6
21⅞	12⅛	Browning-Ferris 16⅔c	15¼	+⅛	48c	–	1.7
18¼	6⅞	Brunswick 75c	12	+⅜	36c	–	1.6
36¼	19⅝	CPC Intnl. 25c	26⅞	+¼	$1.24	–	2.5
24⅝	13⅞	CSX $1	16½	+⅛	$1.18	–	3.9
25¼	10⅝	CalFed Inc $1	14⅜	+⅜	$1.20	–	4.6
21⅞	12⅞	Campbell Soup 15c	16⅞	+⅛	84c	–	2.8
45⅞	24⅞	Caterpillar Inc $1	36⅞	+1	75c	–	1.1
28⅞	19⅞	Chase Manhattan $12½	14⅛xd	.....	$2.16	–	8.4
32½	11⅛	Chemical New York	13¼xd	+⅛	$2.72	–	11.2
29½	11	Chrysler $6¼	13½xd	+⅜	$1.00	–	4.1
21⅞	562p	Citicorp $1	11¼	+⅜	$1.35	–	6.6
806p	167p	CityFed Fin. Corp	274p	+5	4c	–	0.8
33	19⅛	Colgate-Palmolive $1	24⅞	+⅛	$1.48	–	3.4
25⅝	15⅝	Cons Freightways 62½c	16⅞	+¼	82c	–	2.7
398p	122p	Contl Illinois Corp $1	216p	.....	8c	–	2.0
53½p	7p	Cont Illinois Hldgs $1	14p	.....	–	–	–
330p	98p	‡Corporate Data Scnce	510p	+5	–	–	–
831p	242p	Cullinet Sftwr 1c	404p	−1	–	–	–
45p	7p	Damson Oil 40c	7p	.....	–	–	–
33⅞	15⅞	Dana Corp. $1	20⅞xd	+⅛	$1.52	–	4.0
25⅝	10⅝	Data General	13½	.....	–	–	–
44½	25	Dun & Bradstreet $1	28¼	+⅛	$1.50	–	2.9
66⅜	34⅞	Eaton Corpn. 50c	43⅝xd	+⅜	$2.00	–	2.5
22¼	15¼	FPL Group 1c	16⅞	+⅛	$2.12	–	7.1
22¼	9¼	First Chicago $5	13⅜	+⅛	$1.50	–	6.3
34⅜	19⅞	Ford Motor $2	24⅝xd	+⅜	$2.00	–	4.5
51⅛	19⅞	GATX 62½c	25⅜	+⅜	$1.80	–	3.9
40⅞	22⅞	Gen. Elect. 63c	24⅞	+⅛	$1.40	–	3.2
10⅝	376p	‡General Host Corp $1	534p	−6	28c	–	2.3
27¼	14⅞	Gillette $1	21⅞	+⅜	86c	–	2.2
15⅝	580p	Gt Am First Svgs Bk $1	718p	+8	60c	–	4.6
1375	12¼	Greyhound $1½	16¼xd	−⅛	$1.26	–	4.2
16¼	805p	Hasbro Inc 50c	807p	+36	9c	–	0.6
15½	5⅞	Home Group $1	7⅛	+⅛	20c	–	1.5
56⅜	28⅞	Honeywell $1½	36⅞	+⅜	$2.10	–	3.1
51¼	15	Hospital Corp Am $1	17⅛	+⅜	72c	–	2.3
29⅞	15¼	Houston Inds ‡	17¼	+¼	$2.88	–	9.1
119	59⅞	IBM Corpn $1¼	62½	+⅛	$4.40	–	3.9
25¼	15⅞	IC Industries	19½xd	+¼	88c	–	2.5
41⅜	23½	ITT Corpn. $1	25⅝xd	+⅜	$1.25	–	2.7
253p	55p	‡Image Storage/R.Sys 1c	57p	+2	–	–	–
28¼	14⅞	Ingersoll-Rand $2	22⅞	+¼	$1.04	–	2.6
16½	788p	Irotico $1	10⅜	+⅛	$1.00	–	5.1
12⅝	5½	IU Intnl. $1.15	11⅜	+⅛	–	–	–
36¼	10	Lockheed Crpn. $1	23⅞	+¼	$1.40	–	3.2
25⅞	10⅝	Lone Star Inds $1	16⅞	.....	$1.90	–	6.4
27⅞	14¼	Louisiana Land 15c	18⅞	+⅜	$1.00	–	3.0
21	842p	Lowe's 50c	10⅞	+⅛	44c	–	2.2
32¾	10¼	Manuf. Hanover $7½	18¼	+⅜	$3.28	–	11.8
30¼	10⅞	Merrill Lynch $1	15⅜	+⅜	$1.00	–	4.2
35¾	15½	Molex Inc	23⅞	−⅛	3.2c	–	–
33⅝	16¼	Morgan (JP) $2½	15½	+⅛	$1.50	–	4.4
48	33⅞	NYNEX $1	37⅞	.....	$3.80	–	5.6
28	14⅞	PHH	10⅛	+¼	$1.08	–	3.3
15¾	859p	Pac Gas & Elect $5	895pxd	.....	$1.92	–	11.7
25½	16⅞	Pacificorp $3¼	15⅞	+⅛	$2.52	–	7.4
20⅞	15½	Pacific Telesis 10c	16	.....	h$1.64	–	5.6
26⅞	11⅛	Pall Corp. 25c	16⅞xd	+⅛	34c	–	1.1
56⅞	26⅞	Pennzoil 83 1/3c	41⅞	+⅜	$2.20	–	2.9
16¼	780p	Premark Intl	16⅜xd	+⅛	032c	–	1.9
31	12	Primerica $1	16¾	+⅛	$1.60	–	5.2
36⅞	21⅞	Quaker Oats $5	26½xd	+1⅛	$1.00	–	2.1
43¼	24	RJR Nabisco Inc	28⅞	+1	$1.92	–	3.7
39	21	Rep NY Corpn $5	24xd	+⅛	$1.20	–	2.7
18¾	8⅞	Rockwell Intl. $1	10⅜xd	.....	72c	–	3.6
30⅜	16⅞	Sara Lee $11/3	23⅞	+⅛	$1.20	–	2.8
11⅞	8¼	Seal (B. F.) $1	9⅞	−⅛	20c	–	1.2
27⅞	2⅛	Southwestern Bell $1	21⅛	+⅛	$2.32	–	6.0
22¼	994p	‡Staley Continental‡	13⅞	+½	80c	–	3.2

Continued on next page

Money Market Trust Funds

Charities Aid Fndtn Money Mngmt Co Ltd
Staple Hall, Stone Ct, Houndsditch, EC3 01-283 6461

The Charities Deposit Fund
2 Fore Street, London EC2Y 5AQ 01-588 1815

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE 01-236 1425

Money Market Bank Accounts

AAB-Allied Arab Bank Ltd
97-101 Cannon St, London, EC4N 5AD 01-629 6802

Adam & Co. plc
22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484

Aitken Hume
30 City Road, EC1Y 2AY 01-638 6070

Bank of Ireland
36 Queen St, EC4R 1BN 01-329 4500

Bank of Scotland
38 Threadneedle St, EC2P 2EH. 01-601 6746

Barclays Prime Account
PO Box 125, Northampton 0604 252891

Benchmark Bank PLC Premier Account
9 Henrietta Place, W1M 9AG 01-631 3313

Brown Shipley & Co Ltd
Founders Court, Lothbury, London EC2. 01-606 9833

Charterhouse Bank Limited
1 Paternoster Row, EC4M 7DH. 01-248 4000

Citibank Savings
St Martins Hse, Hammersmith Grove W6 01-741 4941

Clydesdale Bank PLC
30 St Vincent Place, Glasgow G1 2HL 041 248 7070

Co-operative Bank Cheque & Save
78-80 Cornhill EC3 01-626 6543

Dartington & Co Ltd
9 The Crescent, Plymouth PL1 3AB 0752 673873

Girobank plc High Interest Savings
10 Milk St, London EC2V 8JB 01 600 6020

Grofund Mgrs/Allied Irish Bank
High Interest Cheque Account
Pinners Hall, 8-9 Austin Friars, London EC2N 2AE

Humberclyde Finance Group
Chalky Ct, Winchester Rd, Basingstoke 0256 846833

Legal & General (Money Mngrs) Ltd
355 Euston Road, NW1 3AG 01-388 3211

Lloyds Bank High Interest Cheque Account
71 Lombard St, London EC3P 3BS 01-407 1000

M & G/Kleinwort Benson
M & G Hse, Victoria Rd, Chelmsford 0245 266266

Midland Bank plc
PO Box 2, Sheffield. 0742 528455

M.I.M. Britannia Ltd
11 Devonshire Square EC2M 4YR 01-623 3434

NatWest Special Reserve Account
41 Lothbury, London, EC2P 2BP 01-726 1000

Oppenheimer Money Mngmnt Ltd
66 Cannon St, EC4N 6AE 01-236 1425

Phillips & Drew Trust Ltd
120 Moorgate, London EC2M 6XP 01-628 9772

Provincial Bank PLC
30 Ashley Rd, Altrincham, Cheshire 061-928 9011

Royal Bank of Scotland plc
42 St Andrew Sq, Edinburgh EH2 2YE. 031-557 0201

Save & Prosper/Robert Fleming
28 Western Rd, Romford RM1 3LB. 0708 766966

Tyndall & Co Ltd
29-33 Princess Victoria St, Bristol 0272 732241

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Western Trust & Savings Limited
The Moneycentre, Plymouth PL1 1SE 0752 224141

Wimbledon & South West Finance Co Ltd
114 Newgate St, London EC1 7AE 01-600 9485

NOTES—Gross rate is those column, front completes rate of tax Net actual rate after deduction of CRT Gr Equiv CAR: Gross equivalent on basic rate taxpayers—compounded annual rate Int Cr frequency interest credited

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. a Offered prices include all expenses. b Today's opening price. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase, ad on dividend.

LONDON SHARE SERVICE

AMERICANS—Contd

1987/88 High	Low	Stock	Price £	+ or -	Div Net	Cvr	Yld Gr%	P/E
44⅛	21⅝	Sun Co. Inc. $1	31¼	+¼	3.00	-	9.6	3.1
42⅛	22¼	TRW Inc. 62½c	28⅞	+½	h51.60	2	3.7	5.1
37⅛	21	Tenneco $5	25⅞	+⅛	$3.04	2	6.1	7.0
220	149½	Do. 10pc Ls Stk. 91-5	155		10%			14.7
29⅝	15⅞	Texaco $6.25	23⅛	-⅛	$3.00			6.9
74⅛	36⅛	Time Inc. $1	58⅛	+1⅛	$1.00			1.1
30⅛	15	Transamerica $1	19⅛	+⅛	$1.84			5.1
14⅛	1⅛	Transworld Corp $5	10	+⅛	20c			1.1
27⅛	12⅛	TRINOVA Corp	18⅞	+⅛	56c			1.6
26⅛	12⅛	†USX $1	17⅛	+⅛	$1.20			3.8
37⅞	16⅛	Utd. Technologies	22½	+⅛	$1.40			3.3
38⅞	25⅞	US West	29⅞	+⅛	$3.28			6.1
30½	17⅛	Waste Management $1	20⅞	+½	30c			1.0
31⅞	11⅞	Whirlpool $1	17⅞	+⅛				-
37⅞	16½	†Woolworth $3⅓	26½	+1	$1.32			2.7

CANADIANS

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
691p	215p	ABM Gold Corp I	219p	+4	-	-	-	-
32p	10p	†Abbot Energy Corp	32p	+7	-	-	-	-
18½	50bp	†Amer. Barrick Res	14⅛	+3⅛	-	-	-	-
141p	3½p	American Lightwater	4p		-	-	-	-
122p	25p	†Armenio	37p	+7	-	-	-	-
117p	39½p	Augmitto Expln	52½p		-	-	-	-
19⅞	10⅛	Bk. Montreal $	12⅞	+⅛	$2.00			7.2
10⅞	408p	Bk. Nova Scot. $	591p	+17	72c			5.4
20⅞	15	BCE I	16⅞	+⅛	$2.44			6.4
10⅞	511p	†Bow Valley	619p	+16	†40c			2.8
20	10⅛	†Brascan I	11⅞	+⅛	88c			3.3
609p	186p	†Breakwater Res	328p	+70	10c			3.4
11⅞	734p	Can Imo Oasis	953p	+21	$1.16			2.6
14	†92p	Can. Pacific I	10⅛		60c			10.0
42½	37½	Do. 4pc Deb £100	40		4%			
827p	352p	Central Capital "A" I	460p	+10	-			-
164p	28½p	†Cambos Res	164p	+5	-			-
667p	354p	Dorlan Inds	520p	+19	11.75c			-
18	75bp	†Echo Bay Mines	14⅛	+2⅞	20c			0.6
68p	26½p	Energex Minerals	29½p	+1½	-			-
230p	66p	Euro-Asia Capital Ltd	240p	+2	-			-
821p	246p	†Galactic Resources	301p		-			-
206p	89p	†Goldcorp Res	101p		-			-
69p	4⅛p	Global Data Systems	17p	+2	-			-
873p	237p	Granges Expln	349p	+67	-			-
19½p	7½p	†Gt. Pacific Res	16½p	+3½	-			-
14½	560p	†Gulf Canada	730p	+23	52c			3.1
14½	782p	†Hawker Sid Can	990p	+20	$1.08			4.8
740p	332p	Hemlo Group	580p	+118	-			-
14½	767p	†Hudson's Bay I	920p	+10	60c			2.9
38⅞	21⅛	†Imperial Oil	24⅞	+⅛	$1.60			2.8
14⅛	764p	Incol	12⅞	+⅛	US80.40			1.7
460p	290p	Intl. Corona Res	451p	+97	-			-
785p	617p	Inland Nat. Gas $1	718p	+154	60c			3.7
10⅞	385p	Lacana Mining Cap I	493p	+13	0.15c			7.1
756p	129p	Madeleine Mines	210p	+2	-			-
245bp	102p	†Mitscoche Expln	181p	+39	-			-
27⅞	15⅞	†Mitel Business Syst. I	157p	+11	-			-
623p	110p	†Nevada Goldfields	142p	+19½	-			-
11	696p	†Rio Algom	11	+21⅞	$1.30			4.8
19⅞	11⅛	Royal Bk. Can. I	21⅞	+⅛	$2.00			7.2
403p	135p	†Royal Gold Mining I	212p	+⅛	-			-
52½	27⅞	Saxgard I	30½	+½	-			-
731p	239p	†Sceptre Gold Corp I	279p	+5	-			-
209p	18p	Spiral Eng.	33p	+1	-			-
112p	35p	Tam Pore Tech. Corp. I	112p	+24	-			-
15⅞	10	Toronto-Dom. Bk. I	12⅞	+⅛	92c			3.2
228p	19p	†Trans Atlantic Res I	28½p	+½	-			-
10⅞	566p	†Trans Can Pipe	571p		$1.12			8.7
200p	115p	Warity Corp I	158p		8-			

BANKS, HP & LEASING

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
259	128	ANZ $A1	170	+9	02c	3.1	4.6	7.1
*273	175	Allied Irish	218		9(14.4%	3.0	6.3	7.2
*16½	£10½	Algemene F1.18	£12⅞	+⅛	027%	4	6.8	9
*128	63	Anglo Irish	70		8(19.6%	1.2	3.3	20.5
116	65	Ansbacher (H.) 1p	67		2.0		4.2	-
£37½	£15½	Banco de Bilbao S.A	£31½		90(1.1%	-	3.0	21.2
£34½	£23½	Banco de Santander	£27⅞	-⅛	022%	2.4	2.0	22.1
*245	173	Bank Ireland Ir£1	218		8(15.3%	2.9	6.2	7.7
£17	£11½	Bank Leumi	£16		-		-	-
390	240	Bk. Lenmi (UK)£1	259		12.4		4.9	-
643	395	Bank Scotland £1	543	+1	†16.3	3.4	4.0	10.0
88	60	Bank of Wales	68		†12.4	2.2	5.6	11.4
655	364	Barclays £1	489d	+6	23.2c	3.4	6.5	6.0
*83	26	Benchmark 20p	27	-1	1.63	1.6	8.2	10.6
620	400	Brown Shipley £1	433		†10.0		3.2	-
135	40	Business Mort Tst	56		2.0	2.3	3.9	12.4
*490	299	Cater Allen 50p	345		20.15		8.0	-
*33	137	†Chartry Securities	218		13.3	2.4	2.1	24.2
£26½	£13½	Commerzbk DM10	£15½	+⅛	018%		4.1	-
*28½	£10½	C'tgn. Hldg. Kr100	£19½	+½	0(7.1%		7.3	-
*28½	£10½	Deutsche Bk DM50	£14⅞	+2⅞	024%		2.7	-
359	165	First Nat. Fin. 10p	247	+2	8.75	2.9	4.9	8.0
190	103	Fuji Bk Yen50	131	+3	6.3%		6.6	-
68½	14	†First Pac. Hldg. 50c	27½		02.6c		0.7	-
£17⅞	£11½	Fuji Bank Y50	£14⅞	+⅛	015%	3.0	0.2	93.4
124	80	GPG	82	+1	42.65	2.7	4.4	10.6
*418	298	Gerrard & National	388	+3	17.0		7.6	-
270	110	Goode Durrant 5p	135		Ka2.5		4.2	-
386	222	Hambros 20p	305		8.2		4.2	-
805	398	Hill Samuel	805		†14.8		2.5	-
*87	46	H.K & Shang. HK$2.50	52	+1	0.38c		3.4	-
*565	411½	Joseph (Leo) £1	438		†13.33		4.2	-
194	134	King & Shaxson 25p	148		8.75		5.9	-
*610	277	Kleinwort, Benson	385	-1	14.0		5.0	-
435	218	Lloyds £1	281xd	+8	15.2	4.6	6.4	4.4
67	36½	Lon. Scot. Bank 10p	47		1.8	1.9	5.2	12.2
763	120	MCorp $5	157	+15	-		-	-
*567	306	Midland £1	418	+7	20.1	3.0	6.7	15.5
590	298	Morgan Grenfell £1	368	+1	10.85		5.7	-
280½	125½	Nat. Aust. Bk. A$1	218	+11	Q24.75c	2.1	4.5	10.7
*794	498	Nat. West. £1	578xd	+5	24.0	4.5	3.7	4.8
175	48	Rea Bros. Group	98		1.75		1.8	-
215	113	Rothschild (J) Hldgs	165		6.0	3.1	3.9	8.8
128	51	Do. Warrants	75		-		-	-
64	25½	Schroders Ltd. A50.50	27½		Q12.5c	7.1	18.8	0.7
440	273	Royal Bk. Scotland	372	+2	12.7	4.0	4.7	7.3
288	125	Scandinavian Bk Units	142	+2	8.0		8.0	-
£17	705	Schroders £1	1130	+⅛	13.5		1.9	-
£13⅞	590	Do. £1 N/V	808	-30	13.5		1.9	-
£14½	£12½	Sec. Pacific $10	£16⅞	+⅛	Q51.90		3.8	-
842	398	Standard Chartd. £1	488	+2	35.0	1.9	10.0	4.0
153	99	TSB	118	+1	a3.75	3.2	4.7	8.7
164	91	†TSB Channel Islands	145		5.4	2.8	4.7	9.3
985	408	Union Discount £1	543xc		43.0		10.0	-
*575	265	Warburg (S. G.)	347		†18.0		3.9	-
195	102	Do 6pc A Cnv Prf	123xd		6%		6.7	-
£37⅞	£21	Wells Fargo $5	£29⅞	+1⅛	Q52.00		3.7	-
216	156	Westpac 5A1	238	+11	Q28½c	2.6	4.9	7.9
550	290	Wintrust 20p	448		†6.2	4.2	1.9	17.3

Hire Purchase, Leasing, etc.

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
240	150	Anglo Leasing 10p	180	+1	12.6	6.3	2.0	11.0
165	50	CLF 50p	165	-3	†1.95	8.2	1.1	11.3
76	44	Cattle's (Hldgs) 10p	66		2.3	4	3.3	9
£106½	£30½	Ce O'ers Fr. 100	£41¼	+½	0(10%	-	2.4	-
85	21	Equity & Gen 5p	29	+2	†1.05	2.2	3.0	11.3
138	58	Moorgate Merc 10p	138		†12.0	2.7	2.0	25.5
440	278	Prov Financial	346xd		16.0		6.3	
305	110	Woodchester H20p	145	+6	0(8.6%		0.9	

BEERS, WINES & SPIRITS

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
471	290	Allied-Lyons	379	+4	†11.4	2.4	4.1	11.9
£10½	579	Bass	846	+8	19.55	3.4	3.1	12.9
*78½	36	Bellhaven	43		†(0.85	2.9	4.1	10.1
228	124	Boddington	143		3.7	2.8	3.5	15.6
246	151	Buckley's Brewery	184		43.2	1.6	2.4	13.3
239	134	Bulmer(H) P 15p	177		†5.77	2.6	4.6	11.0
195	120	Burtonwood Brewery	170		†2.93	2.1	2.7	24.1
535	332	Clark (Hldgs) 10p	375	+1	†9.0	3.6	3.3	11.7
361	202	Dewhurst (J A) 15p	338	+3	3.0	3.9	1.2	27.6
1280	140	Do 4.5pc Cv 2nd Pf	245	+10	4½%	25.3	2.5	-
412	322	†Eldridge, Pope "A"	355		7.75	2.9	3.0	14.5
541	135		546		13.7	4.0	1.9	16.0
280½	150	Greenall Whitley	218	+1	6.0	2.9	3.9	12.0
145½	101	Do. 5.95pc Cnv Pf £1	115		3.95%		6.9	-
494	259	Greene King	484		†6.46	3.1	1.8	26.6
389	227	Gunners	322		†9.2	3.1	3.9	10.4
125½	85	Do 5½pc Cnv Prf	104		5.75%		-	-
£145½	£97½	Do 6½pc Cls	£125	+1	6.5%		5.2	-
105	68	Highland Dists. 20p	194		2.45	2.6	3.2	16.3
233	138	Invergordon Dists	210	-2	3.75		3.8	-
243	125	Irish Distillers	222	+7	0(8.7%	1.7	3.1	19.0
640	170	Macallan-Glenlivet	640		†3.94	3.4	0.8	43.1
£118	£25	Macdonald Martin A	£11⅞	+½	19.0	2.4	4.2	11.9
154	110	Marston Thompson	148		12.95	3.1	3.8	12.1
211	73	Matthew Brown Wtss	189		†15.3	3.7	1.9	19.9
603	345	Morland	500		7.9	4.1	2.2	18.4
293	189	Scott & Nephew 20p	284	+7	†7.95	2.4	3.8	14.7
*599	463	Vaux Group	517		14.2	2.3	3.8	14.4
385	253	Whitbread "A"	361		†8.9	3.1	2.5	20.4
424	277½	Wolv & Dudley	391	+1	3.65	3.9	2.0	17.3
477	274	Wolv Brewery "A" 50p	375	+10	†8.5	1.9	3.4	20.1
445	235	Do Non. V 50p	345	+15	†8.5	1.9	3.4	20.1

BUILDING, TIMBER, ROADS

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
449	252	AMEC 50p	348	+3	†12.0	2.3	4.5	13.5
360	129	Abbey	138		†(13.3	4.5	2.6	13.2
*505	203	Anglia Sec 10p	448	-2	2.0	9.4	0.4	50.2
430	31	Anglo Utd	45xd		a1.01	0.9	3.1	50.8
155	68	Arscliffe 10p	118	+1	4.0	3.4	3.4	9
570	142	Ashford Group 10p	435		13.0	3.2	0.9	45.2
402	106	Ashtenorth 5p	381	+6	†6.0	2.5	2.7	17.0
108	90	Askett Assets 5p	100		12.3	2.9	3.4	13.9
442½	218	BPB Ind. 50p	292	+7	†16.25	3.4	2.9	12.6
310	97	Baggeridge Brick	280		3.25	4.4	1.6	19.8
94	31	Bailey (Nen) 10p	74	-2	†1.2	4.3	2.2	15.0
290	68	Baldwin 10p	122xd	+3	8.25	1.7	1.4	57.5
160	68	†Barner Homes 10p	107	+5	8.2	2.5	7.5	13.3
282	140	Barratt Dev. 10p	237	+7	0.93	1.6	3.9	14.1
*322	160	Bellway	248	+15	8.0	1.6	4.4	11.9
186	76	Bellwinch 10p	104xd	-3	1.3	3.6	4.1	9.2
*532	178	Berkeley Group	375	+25	†(2.5	7.2	0.9	21.7
148	65	Bett Bros 20p	97		3.5	1.9	4.9	22.4
675	136½	Blackleys 20p	355	-5	Q14.2p	2.8	1.7	29.7
379	289	Blue Circle £1	444	+3	†11.5	3.0	3.4	10.9
295	120	Bredero	260	+10	†15.63	0.9	3.0	49.3
313	220	BR & EA	275		†1.75	4.9	0.9	32.2
250	86	British Dredging	129	-1	†4.0	1.6	4.2	19.9
148	76	Bryant Group	144xd	+2	†2.75	4.5	2.6	11.7
38	11	Burgett & Hatton 20p	14xd		-		-	-
204	100	CRH	118		Q24.6%		4.8	-
170	80	Calebrook Hy 'A' 10p	115		3.8	2.1	4.5	14.1
373	182	Caradon 5p	319		16.0	3.0	2.6	16.3
184	86	Church (Charles) 5p	130	+2	12.75	3.3	2.9	14.2
293	150	Conder Group	288	-2	†4.0	3.3	1.9	18.8
*387½	110	Cosson (F.) 5p	125		†1.75	1.6	1.9	46.0
387	204	Costain Group	327	+9	†16.75	2.5	3.7	13.3
402	119½	Countryside Props	317	+15	1.0	10.7	0.8	15.5
291½	139	Crest Nicholson 10p	218xd	+3	5.7	3.5	3.8	11.0
128	81	Do 5½pc Cv Cns Rd Pf	181	+1	3½%-		7.5	-
118	63	Crosby (James) 10p	91		W1.75		2.4	15.0
291	129	Douglas (Hldgs. Nl.	290		†3.0	3.2	1.4	17.0
69½	23	†Dunlop Group 5p	11		†(4.67	2.8	3.6	13.3
211	73	†EBC 50p	176	+3	†5.77	2.5	3.4	26.6
42	18	Edmond Hldgs 10p	29	+1	0.5	1.9	2.4	26.6
258	135	†Edwin Group 10p	166		1.4	2.6	3.3	16.2
136½	73	Ernth	101	-2	†42.15	2.2	2.9	20.8
213	111	†Eve Construction	155	+2	3.0	3.1	4.4	10.2
335	140	Fairclough	328	+3	†4.8	3.9	2.0	17.3
310	116	Fed. Housing 5p	303	+14	3.0		2.3	4
182	75	†Fielden Group 10p	78		K4.5	1.7	7.9	11.5
90	46	Galliford 5p	64xd	-½	†12.66	1.6	5.7	14.9
232	135	Gibbs & Dandy 10p	230		†2.0	2.9	1.2	39.3
102	55	Do "A" 10p	76	-1	†2.0	2.9	3.6	13.0
593	346	Gleeson (M.) 10p	495		6.66	6.3	1.8	11.8
335	161	Harrison Inds 10p	257	-1	†(5.75	3.0	3.2	15.4
123	100	†Hatfield Ests	123		R1	2.1	1.7	18.0
377	171	Henderson Group	349		†7.7	1.7	2.8	26.3
151	71	Hendon Street 10p	138		11.8	3.3	1.9	20.4

BUILDING, TIMBER, ROADS—Contd

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
£45½	£35½	Do. 10pc '03/08	£347	+4	Q10%		12.7	-
160	80	†Hewetson 10p	100		12.7	2.3	3.7	16.9
190	108	†Hey & Croft 10p	157	+1	1.3.85	3.6	3.8	9.9
396	203	Heywood Williams	313	+4	9.5	3.2	4.2	10.2
166	105	Do. Cnv. Prf	137	+1	6.75%		6.7	-
436	234	Higgs & Hill	351	+1	†17.5	2.9	2.9	16.0
82	66	How Group 10p	78		R2.2	3.1	3.9	11.4
85½	41	Howard Hldgs. 10p	57		†10.98	4.5	2.9	13.0
245	92½	†Hycrete Johnson	190	+6	K3.0	3.9	2.2	14.8
69½	20	†Hotel Amco Cpn	26½	-½	-		-	-
136	62½	Jarvis (J.) 5p	119		†(12.0	3.0	2.3	19.8
155	58	†Jennings A5.50	96	+1	(20%	2.1	4.1	11.7
185	113	†Johnstones Pts. 10p	123xd		4.7	4	3.3	♦
£183	£19½	Lafarge Cop. F100	£110½	+½	Q21%		1.9	♦
414	218	Laing (John)	385	+4	†15.67	3.2	2.5	10.3
400	170	Latham (J.) $1	280		†10.25	3.2	3.9	10.1
195	79	Lawrence (W.)	151		†4.0	2.6	3.6	14.6
210	112	Do 8.5pc Cnv Pf £1	170		0½%		6.8	-
77½	34½	Lilley (F.J.C.)	40½		-		-	-
141	93	†Lon. & Clydeside	103	-2	65.7	1.4	7.6	11.7
314	199	Lovell (Y. J.)	259	+2	5.0	3.7	2.4	15.9
676	365	McAlpine (Alfred)	443xd	+2	16.0	3.1	4.9	9.9
*620	303	McCarthy & Stone 20p	486	+6	4.1	8.0	1.2	14.7
293	128	†McLaughlin & H	258	+5	8.0	4	4.5	♦
406	150	†Magnet	247	+11	†6.0	2.5	3.3	16.3
413	294	Manders (Hldgs)	382	+8	†10.0	2.1	3.6	18.4
195	112½	Marley	158	+3	†4.3	2.0	3.6	18.5
368	188	Marshalls Halifax	263	+3	†6.25	2.5	3.3	16.8
114	63	Maunders (John) 20p	100	+1	†1.9	4.9	2.5	10.8
478	268	Meyer Inc	398		†7.0	3.6	2.5	9.0
170	38	Miller (Stan) 10p	75		1.25	1.1	2.3	52.1
543	305	Mowlem (J.)	436	+11	†16.0	2.1	3.0	13.0
£13¼	795	Newarthill £1	£13¼		12.5	3.4	1.3	31.5
246	135	Newman-Tonks	184		7.7	1.8	3.7	13.6
183	63	Persimmon 10p	182	+2	2.25	3.8	1.7	15.9
*158	83	†Phoenix Timber	104		†1.5	4.7	2.0	11.9
820	370	Pochin	735		16.0	4.9	3.0	9.3
218	83	Polypipe 10p	154xd		†11.15	3.9	1.4	29.0
573	339½	RMC	457	+12	†(8.75	3.7	2.0	12.7
167	60	Raine Inds. 10p	103	+5	1.4	3.5	1.8	22.3
283	108	†Ramos	135	+5	6.5	2.4	6.7	7.0
*575	352	Redland	442	+14	†13.0	2.9	4.0	12.4
£118	£84	Reland Cp 7½p A '92	£97¾		07¼%		7.0	-
153	54	Rowlinson 10p	115		†0.78	9.3	0.9	15.2
205	96½	Ruberoid	167		†13.5	3.4	2.9	14.0
296½	173	Rugby Group	268	+10	17.0	2.2	3.7	17.0
*360	180	Rush & Tompkins	278xd		†10.55	2.3	3.4	11.2
315	173	Sandell Perkins	237		†4.5	3.6	2.5	13.5
250	134	Sharpe & Fisher	203	-2	†5.0	3.6	2.0	18.9
124	103	†Sheree Group Hldgs	116	-2	R3.65	2.7	4.3	11.7
408	67	Sindall (Wm) 5p	202		†2.6	4.9	1.8	16.6
135	87	Smart (J.) 10p	125		d5.25	1.4	5.6	17.6
416	233½	Steetley	349	+1	†17.75	2.7	3.1	16.3
348	189	Tarmac 50p	264	+9	†16.55	3.3	2.9	14.3
*493	192	†Tay Homes	376	+9	6.2	5.6	2.3	10.8
548	297	Taylor Woodrow	426	+2	†9.5	2.5	3.1	16.6
406	197	Tilbury Group	330	-3	†6.8	3.1	2.6	13.7
423	235	Travis & Arnold	337	+6	†5.2	4.9	2.1	13.4
223	86	Trent Holdings 10p	149		†1.15	3.1	2.4	14.0
145	103	†Tudor 20p	113		†4.0	2.1	3.0	13.0
413	205	Turriff Corp	318	+3	†18.5	1.8	3.7	20.7
71	28	Tysons (Contr.) 10p	58		-		-	-
815	275	Wilmorplant	438		†10.42	5.0	2.2	12.3
206	99	Ward Group 5p	155	-2	13.7	2.8	3.7	12.5
277	68	Ward Hldgs. 10p	174	+3	2.4	6	1.9	10.9
*177	68	Warrington	107		2.6	-	-	-
367	204	Watts (Blake)	272		†5.3	3.4	2.7	14.9
309	158	Westbury 10p	200		†4.7	3.7	2.4	15.0
313	101	Wiggins Group	196	+11	†(4.36	2.4	3.0	10.8
200	131	Wilson Bowden 10p	194		13.4	3.0	2.0	19.0
444	242	Wilson(Connolly)	363	+8	†2.6	6.9	1.1	18.8
288	163	Wimpey (Geo)	266	+3	†4.73	3.9	2.4	12.5

DRAPERY AND STORES

1987/88 High	Low	Stock	Price	+ or -	Div Net	Cvr	Yld Gr%	P/E
*331½	17	†Aests Group 10p	80	+1	-	-	-	-
463	205	Alexon 10p	362	+4	†6.0	4.3	2.5	14.0
116	53½	Allebone 10p	115		†(11.5		1.8	-
203	105	Do. 04pc Cnv Pref	185		†(8.4%		6.5	-
132	14½	Amber Day 25p	34		-		-	-
490	200	Aquascutum 5p	240		†2.5	1.7	1.4	48.3
*160	55	Do. 'A' 5p	74	+1	†2.5	1.7	4.6	14.9
213½	89	Ashley (Laura) 5p	129	+3	†2.25	2.7	2.6	16.3
350	182	†Asprey	276	-5	†14.0	4.1	2.7	16.9
145	96	†Automagic 10p	126		6.5	1.1	7.4	-
168	68	Babyngo Hldgs 10p	69	+1	1.4	-	4.8	♦
238	93	Beattie (J) 'A' 5p	125	-1	3.45	2.7	3.7	15.7
225	95	†Bedford (Wm) 5p	99	-2	4.65	-	6.7	♦
206	134	Bentalls 10p	199	+3	†2.65	2.0	1.8	36.7
966	73	†Bik Bot Grapes A5	108	+1	-		-	-
54	6	Blacks Leisure 5p	21½	+½	-		-	-
190	45	†Blanchards 10p	63		4.5	1.4	9.5	10.2
595	284	Body Shop Int. 5p	564xc	+5	†11.5	6.2	0.4	59.9
54	6	Bolton 7ccl. 5p	54	+5	-		-	-
76	2	Bremner	76	-2	†0.5	0.3	0.9	-
353	133	Brown (H) 10p	333	-2	†3.75	2.1	3.5	28.9
320	175	Burton Group 50p	254	-2	7.2	2.8	3.8	12.7
320	175	Camps 20p	320		†11.5	6.5	0.6	33.0
181	101	Do. 'A' 20p	181		†11.5	6.5	2.0	10.4
87	37	Casket 10p	87	+3	2.8	2.9	4.1	10.3
125	25	†Chelsea Man 5p	125		2.9	3.3	3.2	13.1
425	55	Church	425	-5	11.5	4	3.8	-
355	215	Coats Viyella 20p	241	+1	†(2.7	3.1	8.3	6.0
215	42	Coles M ycr A50.50	245	+5	Q21c	1.9	4.2	12.4
215	22	†Colorvision 5p	215	-2	†2.2	4.8	1.4	20.2
188	31	Courts 'A'	188	+1	†4.9	2.1	3.7	17.2
455	5	DAKS Simpson 'A'

LONDON SHARE SERVICE

INSURANCES—Contd

1987/88 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
£22¼	£12½	Torchmark $1.00	£16¾	-½	Q$1.00	–	3.3	–
410	235	Trade Indemnity	375	+10	14.3	–	1.6	–
£34	£17¼	Travelers $1.25	£26⅛	.....	$2.40	–	6.5	–
£30⅛	£15¼	USF & G Corp $2.50	£18¼	+½	Q$2.64	–	7.9	–
£33½	£15¼	USLIFE Corp. $1.0	£20⅛	+⅛	Q$1.28	3.2	3.5	9.0
738	495	Wind Friendly B 10p	555	.....	21.0	–	5.2	–
464	192	Willis Faber 12½p	213	+3	†10.75	2.4	6.9	8.1
128	41	Windsor Secs. 10p	68	-1	0.8	♦	1.8	♦

LEISURE

High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
35½	9	[illegible] & M Group 10p	18	+1	–	–	–	–
242	77	[illegible] 10p	185		Ld5.4	1.6	7.2	12.2
*549	253	[illegible] TV	469xd	.....	14.5	♦	4.9	♦
141	62	[illegible] 1p	90	-1	0.5	6.7	0.8	25.4
72	58	[illegible] Hldgs 5p	30	-1	Ld1.0	2.7	3.6	14.2
300	132	[illegible] & W.A.T. 'A'	228	+1	10.0	1.4	4.8	18.6
68	20	[illegible] Media	25					
236	165	[illegible] & Hawkes	211	+1	–	–	–	–
83	28	[illegible] T.V.	41	-1	†1.4	2.4	4.7	11.9
*439	43½	[illegible] Walker 10p	379	+16	†g0.5	2.2	3.6	18.3
124	79	Do 8pc Cv.Cm.Rd.Pf.	112	+4	6.0	–	7.3	–
*338	110	[illegible] Int. 20p	302	+5	†3.0	5.1	1.4	14.5
306	152	[illegible] Comms. 5p	195	-3	L7.0	2.0	5.1	13.6
211	127	Capital Radio 10p	190	+3	6.0	2.7	4.3	11.8
684	370	CentralTV	531	+1	†17.0	2.3	4.4	13.8
274	111	Chrysalis	125	.....	7.0	1.9	7.7	9.3
101	33	♦Cityvision 5p	40	.....	0.5	♦	1.8	♦
*68	12	♦Entertain Prod 5p	18	+1	–	–	–	–
443	205	Fairline Boats 10p	392	-23	9.0	4.7	3.1	9.3
172½	103½	First Leisure	149	+4	2.34	3.2	2.2	19.8
132½	39	Grampian TVA 10p	49	+2	2.3	3.4	6.4	6.3
70	26	♯Greenwich Comm.	31					
391	202	HTV Ord.	249	+2	†h3.46	5.7	2.0	18.6
89	42	Horizon A$0.25	68		105c		4.7	
*105	32	Juliana's Hldgs 2p	55	+1	s2.28	1.1	5.7	21.0
41	32	♦Kunick 10p	37	+1½	1.0	2.4	3.7	14.7
216	88	LWT 5p	159	-6	5.7	2.9	5.7	8.3
*565	67	LandLeisure 10p	313	+2	m0.7	0.3	0.3	–
182	54	Leisure Inv 10p	77xd		G†1.45	2.2	2.7	24.4
*144	61	Leisuretime Int 10p	111	-2				
738	80	♦Marina Dev. 50p	290	+2				
*223½	146½	Mecca Leisure 10p	216	+2	s3.65	3.4	2.3	18.5
*360	160	Medminster 20p	224xd	.....	17.7	2.5	3.4	16.1
545	218	Midsummer Leis.	327	+1	4.0	3.1	1.7	21.9
330	175	♦Miss World 10p	295	.....	8.0	♦	4.4	♦
88	36	♦Millers Vision 50p	37	.....	–	–	–	♦
10	7	♦Nimslo Int 20c	16xd					
65	17	♦Owners Inc. NZ$0.5	18	-2	Q2c	6.0	2.9	4.3
242	75	♦Orient Ex Htls $0.125	137	+8				
158	42	Owners Abroad 5p	87	+1	2.1	♦	3.4	♦
425	58	Pavilion Leisure 10p	249					
98	34	♦P'dilly Radio NV 5p	76		2.25	2.0	4.4	15.4
238	139	Pickwick	200xd	-1	2.6	♦	1.8	♦
263	133	Pleasurama 5p	187	+2	†h4.88	2.8	3.6	13.7
234	128	Do. 7pcCvCumRdPf.	163	+1	7%	–	5.9	–
221	99	Prestwich	131		†1.0	8.7	1.0	14.9
175	90	♦Prism Leisure 10p	90	-2	L4.26	2.5	6.7	8.4
235	87	[illegible] Group 10p	172	.....	h2.4	3.1	1.9	18.8
163	43	♦Radio City 'A' NV	117	.....	–	–	–	14.0
121	53	♦Radio Clyde	102	+1	4.25	2.1	6.4	10.1
617	361	Really Useful Grp 5p	605	.....	13.25	2.4	3.0	19.0
220	142	Saga Hols. 20p	174	.....	4.6	♦	3.7	♦
228	105	Samuelson Grp 20p	113	.....	†–	–	–	–
290	88	Scoaro 20p	107	+1	sn2.5	0.3	‡	–
610	288	Scott. TV 10p	416	.....	†15.0	3.3	4.9	8.3
49	13½	♦SelecTV 10p	20	.....	–	–	–	–
136	19	♦Spectrum 5p	68	+1	–	–	–	–
337½	142½	Stanley Leisure	225	-3	†td3.0	3.7	1.8	20.4
99	45	TSW 5p	72	.....	†2.7	2.6	5.2	10.3
202	185	♦TV-am 5p	140	-1	†L2.88	3.4	2.8	11.5
*454	210	TVS 10p	326	.....	12.5	2.9	3.4	8.7
540	263	Thames TV	335	+1	†12.0	2.7	4.9	10.4
256	64	Tottenham Hotspur	108	.....	4.0	–	5.1	–
188	72	♦Trillion 10p	72	-1	1.1	3.5	2.2	14.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ *Not officially UK listed; dealings permitted under rule 535(4)(a)*
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- ‖ Price at time of suspension
- §§ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♦ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ *Cover allows for conversion of shares not now ranking for* dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a *Annualised* dividend. b *Figures* based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. *A Net dividend and yield. B Preference dividend passed or deferred.* C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	75	+2
Craig & Rose £1	488	.....
Finlay Pkg. 5p	78	.....
Holt (Jos) 25p	£11¾	-⅛

IRISH

Fund 11¼% 1988	£100⅜	.....
Nat. 9¾% 84/89	£100¾	.....
Fin. 13% 97/02	£125½	.....

Arnotts	305	.....
CPI Hldgs	80	.....
Carrol Inds.	157	+7
Hall (R. & H.)	107	.....
Helton Hldgs	44	-1
Irish Ropes	120	.....
Unidare	340	-10

TRADITIONAL OPTIONS
3-month call rates

Industrials	p
Allied-Lyons	35
Amstrad	15
BAT	45
BOC Grp	48
BSR	10
BTR	28
Barclays	48
Beecham	46
Blue Circle	42
Boots	24
Bowaters	38
Brit Aerospace	35
Brit. Telecom	22
Burton Ord.	24
Cadburys	26
Charter Cons	32
Comm Union	35
Courtaulds	34
FKI Babcock	14
FNFC	23
Gen Accident	85
GEC	15
Glaxo	110
Grand Met	42
GUS 'A'	110
Guardian	87
GKN	30
Hanson	14
Hawker Sidd	40
ICI	100
Jaguar	35
Ladbroke	38
Legal & Gen	30
Lex Service	35
Lloyds Bank	28
Lucas Inds	61
Marks & Spencer	20
Midland Bk	35
Morgan Grenfell	35

NEI	15
Nat West Bk	40
P & O Dfd	52
Plessey	16
Polly Peck	32
Racal Elect	22
RHM	35
Rank Org Ord	60
Reed Intnl	45
STC	25
Sears	14
TI	35
TSB	12
Tesco	16
Thorn EMI	60
Trust Houses	22
T&N	20
Unilever	50
Vickers	18
Wellcome	42
Property	
Brit Land	28
Land Securities	48
MEPC	48
Peachey	49
Oils	
Brit Petroleum	25
Britoil	50
Burmah Oil	45
Charterhall	4
Premier	8
Shell	110
Tricentrol	15
Ultramar	24
Mines	
Cons Gold	100
Lonrho	29
RTZ	38

A selection of Options traded is given on the London Stock Exchange Report Page

FINANCIAL TIMES

Saturday March 19 1988

UK in throes of 'economic miracle'

BY PETER RIDDELL, POLITICAL EDITOR

BRITAIN is in the throes of an economic miracle similar to that enjoyed by West Germany in the 1960s, Mr John Major, Chief Secretary to the Treasury, said yesterday.

His optimistic assessment of the post-Budget economic outlook reflected the self-confident tone of ministerial speeches at the opening of the two-day Conservative Central Council, an annual meeting of local party officers, in Buxton, Derbyshire.

The Conservatives intended to build on their strong position by launching a party membership campaign in June. It will be the first big recruitment campaign for 10 years, designed to double the national membership of about 1m.

Mr Major referred to figures which showed faster productivity growth in Britain than in West Germany, the US and Japan, and a faster decline in unemployment than in any other country in Europe.

In the 1960s, he said, "we watched the German economic miracle from our sick-beds. Today, in Europe, we are the economic miracle." The balanced budget ensured strong public finances to put Britain "in an excellent position to withstand any economic shocks from whatever quarter they may come."

Like other ministerial speakers, he stressed that the Government was still full of ideas – a belief reflected in the conference slogan: "Leading Britain into the 1990s," which is expected to form the main theme of the keynote speech by Mrs Margaret Thatcher at lunchtime today. The Prime Minister is expected to set out the agenda for the rest of this parliament.

Mr Peter Brooke, Conservative Party chairman, said the Government was "pressing ahead with a radical and reforming programme which, by the end of this parliament, will have changed the face of Britain more completely than any postwar administration."

The pace of change had quickened as each year went by. "The momentum grows. We alone can lead Britain into the next decade, and beyond."

Mr Kenneth Baker, Education Secretary, said the Conservative Government was dictating the terms of political argument and holding the high ground of ideas on the reform of the taxation system, local government, housing policy, the Health Service and education.

Mr Brooke and other ministers seized on the disruption of the Budget speech on Tuesday by Labour and other MPs. He said the Labour parliamentary party resembled "not so much a team on the field but a mob on the terraces."

Mr Major also attacked "football hooliganism Socialism." Senior Tories believed they had been given two strong propaganda weapons in the last few days – abandonment by Ford of its plans to build a plant in Dundee and the remarks by Mr Neil Kinnock, the Labour leader, about increasing higher tax rates.

Mr Brooke said the trade union movement had sunk the chances of 1,000 jobs in Dundee.

Mr Major said the Tories were the only party which believed that people knew best how to spend their money. He noted Mr Kinnock's remarks and Labour's opposition to the cut in the basic rate of tax and its election proposal to abolish the ceiling on national insurance contributions.

Mr Major said the whole economy benefited from lower tax rates because high rates stifled enterprise and dynamism.

American Express faces boycott

By Anatole Kaletsky in New York

PITTSBURGH and Pennsylvania government employees may be prevented from using American Express charge cards and travellers cheques on official business as part of a series of unprecedented political boycotts and legal actions precipitated by the fiercely contested bid for Koppers, the Pittsburgh-based construction materials and chemicals company.

Koppers, a leading Pittsburgh employer, is fighting a $1.3bn (£714m) bid from Beazer, the British building group, and its local supporters are leaving no stone unturned in their search for unusual legal, political and financial weapons against the outside aggressors.

The latest defensive strategem involves a series of lawsuits and boycotts against Shearson Lehman Hutton, Beazer's Wall Street investment bank, and even Shearson's corporate parent, American Express.

The City of Pittsburgh has sued both Shearson and American Express for allegedly breaching Shearson's fiduciary obligations as a former underwriter of the city's municipal bonds.

The central reason for these unprecedented actions against an investment banker was Shearson's unusual decision to take an equity stake in the company put together by Beazer to mount its bid.

Shearson has insisted that its equity involvement is temporary – an "equity bridge loan" – but city and state officials have seized on the bank's prospective ownership of up to 45 per cent of Koppers as a conflict of interest.

According to Mr Richard Caliguiri, Pittsburgh's mayor, the legal case against Shearson and American Express is based on the argument that "Shearson has breached an obligation not to do anything that would adversely affect the marketing of Pittsburgh bonds" and that the takeover of Koppers would "harm the finances and economy of the city."

Mr Davis Greene, the Pennsylvania State Treasurer, said Shearson had gone "one step further" than any other investment bank in becoming "an equity partner in a hostile bid."

Mr Greene announced that, in addition to the city's lawsuit, the State Treasury would suspend all investment banking activities with Shearson.

Further actions against American Express, including suspending the use of credit cards and travellers cheques, were also being mooted by City and Allegheny County officials.

According to Mr Dante Pellegrini, the City solicitor, the local authorities have been "looking at every American Express service – we just won't use anything in their laundry list."

Philip Coggan adds: Mr John Matthews of County NatWest, the merchant bank which is also an equity partner in BNS, Beazer's bid vehicle, said Beazer had been advised that the Pittsburgh action was "without merit."

Meanwhile, the Department of Trade and Industry said yesterday it would not be referring Beazer's bid to the Monopolies and Mergers Commission.

THE LEX COLUMN

Prudence pays dividends

As Budget rallies go, this one has been perfectly respectable. The first rush carried the FTSE through 1800 a couple of weeks ago, and yesterday's spurt took it through 1850 for the first time since the crash. It remains clear, though, that the rise had very little to do with the Budget proper; in particular, yesterday's performance was due specifically to the downward drift of sterling, and more generally to relief that the Chancellor has re-established the principle of official responsibility for the exchange rate.

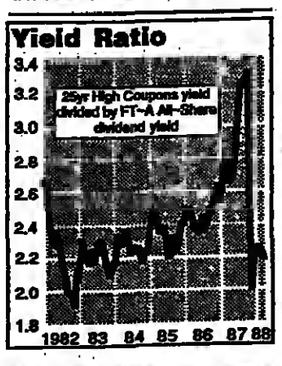
But while sterling looks to be the chief influence on equities for the next few weeks at least, it is quite unclear which way it will go. Yesterday's retreat from DM3.10 seemed to show that the speculators are not prepared to tangle with the Bank of England over the odd pfennig, but that could change. Although Mrs Thatcher has conceded one tactical cut in base rates, she is not a woman to change her mind on a point of principle. If the speculators chose to make a run for it, they could probably get to DM3.15 before the base rate bludgeon was allowed out again.

That apart, the underlying direction of equities is not clear either. Long gilt yields are now around 2.2 times the yield on the All-Share – at the lower end of the range seen in the early years of the bull market, before the final lunatic stampede in the earlier part of last year. But the yield ratio, while an important fundamental yardstick, has to be interpreted with care. The real rate of growth in dividends is probably about constant in the long run, but it fluctuates around the trend line; and the yield ratio would naturally tend to rise and fall along with it, as the market accepted lower present yields on equities in expectation of higher dividends to come.

Over the past five years, according to Wood Mackenzie, dividends have risen by 13 per cent on average, with inflation averaging 5 per cent. The resulting real growth of 8 per cent is well above trend, and compares with only 5 per cent real over ten years and considerable real falls in the early 1970s. The immense recovery in profitability by the corporate sector over those five years coincided with bond yields coming down from the high teens to eight or nine per cent, and the powerful combination of those two factors justified all but the final phase of the bull market.

Neither factor now seems to apply. Gilt yields may move a point either way from the present 9 per cent, and inflation might go to 3 per cent or five; by comparison with the early 1980s, neither really signifies. Dividend growth, meanwhile, is bound to move back eventually to the long-run average of perhaps 2 per cent real; and if the more pessimistic forecasters are right, that could be happening by the latter part of this year. If the move is abrupt, the market's present confidence in the fundamentals will suffer accordingly. The present rally might reach 1900: it might be imprudent to trust it thereafter.

FT Index rose 17.7 to 1476.8



Property

As windfall gains go, dropping 50 to 60 per cent of your capital gains tax liability at a stroke is not bad. That is what Tuesday's CGT changes meant for Britain's property companies, and not surprisingly, shares prices in the sector have reacted dramatically. The traditional discount to net asset value at which the sector trades has been nearly halved since news of the Budget measures began to leak out earlier this month, and now stands at around 10 per cent overall.

In the short term, there is probably not much more to be gained: of the three largest companies, Land Securities and Hammerson have already seen their discount narrow to a negligible 1 per cent or less while MEPC actually stands at a premium. But longer term, the decision to re-base capital gains tax on 1982 rather than 1965 values should mean more aggressive management by the older companies (which can finally get rid of some of their less attractive holdings from the 1960s and 1970s without paying an arm and a leg in tax); and with the poison pill of CGT liability removed, some of the second-tier companies must now look appealing to predators. There will probably be no shortage of large stakes in play: a number of institutions could jump at the chance to unload holdings with which they have been effectively stuck since the days of high inflation.

Paradoxically, they may decide to put some of this money directly into real estate since UK property portfolios are expected to earn a return of around 20 per cent in 1988, the days of institutional disinvestment from the sector could well be over.

New issues

Sotheby's is not a bear market kind of stock; and neither is there any pressing reason why it needs to be floated sooner rather than later. So tha company's intention to try again with its stock market listing in the next month or two is the strongest sign so far that normality is returning to the new issue market. Indeed the flotation will mean that almost the full list of companies which backed out during the crash have now judged conditions healthy enough to proceed.

So far investors have proved equal to the handful of new issues since October, most of which now stand at respectable premiums to their – albeit much diminished offer prices. But despite nostalgic signs like the recent tenfold oversubscription of unglamorous UK Paper, the modest p/e of barely 8 and the slender premium which that issue reached in first dealings showed that the old days are not back yet.

While the market is now firmly open again there are few signs of things picking up from this modest pace. Failing a dash by the building societies to plc status, a diet of smallish companies and a thin trickle of rights issues look like the most that can be hoped for until British Steel breaks the monotony at the turn of the year.

The Budget makes the picture still more cloudy. If higher CGT and lower income tax create a shift from equities to bonds, demand will clearly suffer; whereas if the owners of private companies can get away with paying themselves large dividends taxed at just 40 per cent, the motivation to cash in through a flotation may be blunted.

De Benedetti sells Buitoni to Nestlé for £784m

By John Wyles in Rome

MR CARLO De Benedetti yesterday took his Cir industrial holding company out of the food business by selling the manufacturing activities of its Buitoni unit to Nestlé of Switzerland for L1,800bn (£784m).

The acquisition will, on the basis of 1986 sales, mean Nestlé challenging Unilever as the world's top food company. Buitoni's interests range from pasta to confectionery.

Staff in Mr De Benedetti's Milan headquarters were delighted at a deal which will bring in more than 10 times the L160bn the financier paid for a 52 per cent controlling stake in 1985.

They denied that money was needed to finance Mr De Benedetti's long battle for control of Société Générale de Belgique. Negotiations began four months ago, before the Belgian project was conceived, Cir said.

Nestlé is paying L680bn for Italian Buitoni's business; L320bn for Perugina, 83 per cent owned by Buitoni; and L600bn for Buitoni of France. An additional L200bn will be paid in respect of Buitoni convertible debt.

The proceeds will be invested in non-food industrial projects in Italy and elsewhere and would also finance Mr De Benedetti's purchase, if next month's decision by the highest Italian appeal court goes his way, of the Sme food and distribution company.

Mr De Benedetti's purchase of Sme was blocked by the Government three years ago and appeals in lower courts have been turned down.

Nestlé, which has joined Mr De Benedettis' group of investors seeking control of Société Générale, yesterday reported a 2 per cent increase in net earnings to SFr1.83bn (£716m) and said it would lift its dividend from SFr145 a share to SFr150. Nestlé's sales, hit by dollar weakness, last year fell 7 per cent on the previous year to SFr35.2bn.

Mr De Benedetti said he had decided to get out of foods because he had concluded that there were not enough possible acquisitions around to achieve his aim of building a European food group with annual sales of around L5,000bn. Buitoni's sales last year were L2,080bn.

Bridgestone to buy Firestone

BY IAN RODGER IN TOKYO

BRIDGESTONE of Japan, the world's third largest tyre maker, is making a $2.6bn (£1.4bn) agreed cash bid for Firestone Tire & Rubber of the US. The takeover will be the largest carried out overseas by any Japanese industrial company.

It exceeds the $2bn which Sony, the consumer electronics group, paid late last year for the records division of the CBS television network, and adds pace to a long-awaited move among leading Japanese manufacturers to buy businesses abroad.

The deal, while not immediately disrupting the world tyre industry rankings, will make Bridgestone's tyre business almost as big as that of Michelin of France, which stands second after Goodyear of the US.

Bridgestone will pay $80 for each Firestone share. This comfortably exceeds the $58 offered last week by Pirelli, the Italian tyre group, in an unsolicited bid for Firestone.

Pirelli said yesterday it would not improve its offer, which it had made in response to an agreement reached last month between Bridgestone and Firestone. Under the agreement, the Japanese company was to have taken a 75 per cent stake in Firestone's tyre operations for $1bn.

In early Wall Street trading, Firestone shares jumped $15¾ but, at $78¾, stayed below the bid price, suggesting that no rival offer was thought likely.

Bridgestone said that, following the Pirelli bid, the Bridgestone board authorised new negotiations with Firestone, at the invitation of the US company. Mr Akira Yeiri, president of Bridgestone, said the company had consulted Firestone in an effort to ensure that its actions would be consistent with the wishes of Firestone's management.

The Firestone board has recommended that shareholders accept the Bridgestone offer. Mr John Nevin, its chairman, said the offer achieved the company's objective of enhancing shareholder values and would "add materially to the employment security and career opportunities available to the men and women employed by Firestone's existing businesses."

Bridgestone plans to maintain the Firestone worldwide tyre operations headquarters in Akron, Ohio, under the existing management structure. It also intends to continue operating Firestone's North American plants.

"Our co-operation with Firestone over the years clearly demonstrates our sincerity in this regard as well as our commitment to the tyre industry, both worldwide and in North America," Mr Yeiri said.

Bridgestone bought a truck and bus tyre plant in Tennessee from Firestone five years ago. Bridgestone pointed out that the plant now makes both Firestone and Bridgestone brand tyres and employment there has doubled since the acquisition.

Whether Bridgestone would now maintain the Firestone brand name would be up to "the new management for the new era," the Japanese company added.

Some analysts had expected a tougher fight from Pirelli, which they said would now be at a disadvantage in the highly competitive world tyre industry. Pirelli shares fell L140 in Milan to L2,525, while earlier Bridgestone added Y30 to reach Y1,390 in Tokyo.

The Italian company argued, however: "Pirelli has always said that its offer would be limited by its evaluation of industrial convenience. The figure offered by Bridgestone does not fit into such logic."

Apple files copyright lawsuit

BY LOUISE KEHOE IN SAN FRANCISCO

APPLE Computer, the California-based maker of personal computers, has filed a landmark copyright infringement suit against two US companies in a move which may have repercussions throughout the personal-computer industry.

Apple is accusing Hewlett-Packard, a big West Coast computer and electronics manufacturer, and Microsoft, the largest US publisher of personal computer software, of copying elements of its Macintosh software programs.

Apple is seeking unspecified damages as well as a ruling to prevent the two companies from selling the contested programs.

Apple's attempt to use copyright laws to protect Macintosh is important because the personal-computer industry has widely adopted elements of the ideas incorporated in Apple's software programs.

The suit was filed in California late on Thursday. It is claimed that Hewlett-Packard's New Wave program and Microsoft's Windows infringe several copyright programs created by Apple. These programs work in conjunction to create computer screen displays that resemble those of the Macintosh.

Apple's suit centres on the distinctive screen displays of the Macintosh, which feature "pull down menus" so the user can select functions with a "mouse" pointing device, and "icons" – or graphic representations of functions – such as files, notepads and rubbish bins.

When Apple first introduced the Macintosh computer four years ago, its screen displays and user-friendly features were seen as a radical innovation. Previously, users of personal computers were forced to learn arcane commands for their machines.

Recently, however, many of the Macintosh features have been incorporated in programs for IBM-compatible personal computers. The once unique look and feel of the Macintosh has been widely imitated, reducing Apple's competitive advantage.

Ironically, however, the Macintosh was itself, derived in part from a long-forgotten Xerox computer called the Star. Apple obtained a licence from Xerox.

Apple's suit is seen as a test of the strength of US software copyright laws. Apple has demanded a jury trial for what may become a precedent-setting case on whether the look and feel of a computer can be protected by copyright.

Microsoft's Windows represents the basis of moves to make IBM-compatible computers more user-friendly. For Hewlett-Packard, New Wave is an important element of strategies to increase sales of personal computers.

Hewlett-Packard said yesterday that it had yet to receive a copy of the Apple suit and could not comment on specific allegations. "We do not believe, however, that we have violated any Apple copyrights or patents," the company said.

Microsoft said it was preparing a statement in response to the suit.

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
BTR	269	+	7
Brit. Airways	178	+	5
BP	280½	+	11½
Burmah Oil	523	+	14
Costain	327	+	9
Crowther (J.)	175	+	32
Goldberg (A.)	199	+	6
Kwik Save	343	+	13
Legal & General	298	+	9
Lloyds Bank	261	+	6
London Intl.	291	+	8
Lowe Howard-Spink	407	+	16
Lucas Inds.	626	+	13
McKechnie	356	+	15
Ratners	266	+	16
Redfearn	533	+	22
Reuters B	548	+	20
Rowntree	471	+	11
Rugby Group	260	+	10
Saatchi & Saatchi	449	+	17
Scott & Newcastle	264	+	7
Tarmac	264	+	9
Underwoods	140	+	19
WPP	555	+	21
Wellcome	469	+	9
Western Motor	498	+	19
FALLS			
Bryant (D.)	96	−	17
LWT	139	−	6

John Crowther may be takeover target

BY ALICE RAWSTHORN AND DAVID WALLER

JOHN CROWTHER Group, which has emerged in recent years as one of the largest textile companies in Britain after a whirl of acquisitions, has itself become a takeover target.

The group announced yesterday that it had received a preliminary approach from an unidentified third party which "may or may not" lead to a takeover bid. The announcement prompted a surge in the Crowther share price, which closed 22p ahead at 175p. At this level, Crowther is capitalised at £208m.

Crowther traces its origins to the mid-19th-century when it began as a woollen mill, near Huddersfield. By the early 1960s the mill had lurched into losses and was taken over by Mr Trevor Barker, a local accountant.

In 1965 Mr Barker joined forces with Mr Michael Abrahams, whose family had extensive interests in the carpets industry. Together they mounted a bid for Carpets International, one of the biggest UK carpet companies.

Crowther then took advantage of the bullish mood of the stock market to stage a series of takeovers.

Between the beginning of 1986 and the summer of 1987 it bought more than a dozen businesses. A fortnight ago Crowther announced 1987 pre-tax profits of £25m on turnover of £358m.

The group's shares rose rapidly from late 1985 until spring last year when the frenetic pace of acquisition began to take its toll on confidence in the company. The shares peaked at 229p during the summer. Within a few weeks of "Black Monday" last October, they had halved in value.

Yesterday's announcement caught the stock market unawares. Speculation about the possible bidder centred on Coats Viyella and Coloroll.

WORLDWIDE WEATHER

		Yday midday °C	°F			Yday midday °C	°F			Yday midday °C	°F			Yday midday °C	°F
Ajaccio	C	15	59	Dallas		–	–	Madeira	S	17	63	Prague	F	3	37
Algiers	S	22	72	Dublin	R	6	43	Madrid	S	17	63	Reykjavik	C	0	32
Amsterdam	F	6	43	Dubrovnik	F	16	61	Majorca	S	21	70	Rhodes		–	–
Athens	F	19	66	Edinburgh	F	6	43	Malaga	S	25	77	Rio d'Janeiro		–	–
Bahrain	S	22	72	Faro	S	19	66	Malta	F	16	61	Rome	S	17	63
Barcelona	F	18	64	Florence	Dr	12	54	Manchester	F	8	46	Salzburg	C	2	36
Belfast	R	5	41	Frankfurt	F	8	46	Melbourne	S	21	70	S'Francisco †	Fg	8	46
Belgrade	S	8	46	Geneva	C	1	52	Mexico City		–	–	Santiago		–	–
Berlin	F	3	37	Gibraltar	S	24	75	Miami †	S	20	68	Seoul	C	6	43
Biarritz	S	15	59	Glasgow	F	6	43	Milan	F	16	61	Singapore	F	32	90
Birmingham	F	7	45	Guernsey	R	8	46	Montreal †	S	-5	27	Stockholm	Sn	-3	27
Blackpool	F	8	46	Helsinki	S	-3	27	Moscow	C	2	36	Strasbourg	C	8	46
Bombay		–	–	Hong Kong	R	16	61	Munich	C	4	39	Sydney	C	22	72
Bordeaux	Dr	12	54	Innsbruck	Sn	2	36	Nairobi	F	26	79	Tangier	S	19	66
Boulogne		–	–	Inverness	F	8	47	Naples	F	17	63	Tel Aviv		–	–
Bristol	C	7	45	Isle of Man	R	6	43	Nassau		–	–	Tenerife	S	21	70
Brussels	S	7	45	Istanbul	F	11	52	Newcastle	S	6	43	Tokyo	F	10	50
Buenos Aires		–	–	Jersey	R	9	48	New Delhi	S	27	81	Toronto †	C	-2	28
Budapest	S	8	46	Johannesburg	F	25	77	New York †	F	2	36	Tunis	F	20	68
Cairo	S	26	79	Las Palmas	S	19	66	Nice	S	16	61	Valencia	S	25	77
Cape Town	F	21	70	Leeds	F	7	45	Nicosia	F	18	64	Venice	F	13	55
Cardiff	R	6	43	Lisbon	S	18	64	Oporto	S	16	61	Vienna	S	7	45
Chicago †	F	-2	28	Locarno	C	1	52	Oslo	S	4	39	Warsaw	Sn	-1	30
Cologne	S	7	45	London	S	9	48	Paris	C	8	46	Washington †	C	1	34
Copenhagen	S	0	32	Los Angeles †	F	12	54	Peking	S	8	46	Wellington	R	13	55
Corfu	S	16	61	Luxembourg	S	7	45	Perth	S	37	99	Zurich	R	4	39

C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder.
† Noon GMT temperatures

Dundee hopes

Continued from Page 1

on Monday at meetings between the TUC's Finance and General Purposes Committee, all the motor industry unions and the STUC.

The Transport and General Workers' Union, the majority union at Ford of Britain and one of those which has opposed the AEU's deal, will propose that the company be offered a single union agreement, but on condition that the workforce be allowed to decide which union that should be.

Ford said when it planned the plant that it had not been concerned about which union it should sign with.

Were such a proposal agreed, it could have wide repercussions on the development of single union agreements. Other employers bargaining with several unions might argue that their workers, too, should be offered such balloting facilities.

However, it is thought that the TGWU and the MSF, the general technical union which is also opposed to the agreement, will insist that wages at the plant should be on a par with wages in Ford of Britain.

Mr Iain Robertson, the Scottish Development Agency's chief executive, said the company would not accept this, as it had decided the plant would be uncompetitive without wage rates in line with those prevailing in the electronics industry.

The Scottish TUC will argue that the only realistic prospect for persuading the company to reconsider would be for the unions to accept the AEU agreement and give an undertaking that the plant's output would not be boycotted by other Ford unions.

Senior AEU officials said the unions would only be able to mobilise political pressure on the company to reconsider its position if the unions agreed to accept its requirements.

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WEEKEND FT

Saturday 19/Sunday 20 March 1988

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

Beyond the call of duty

The European Community's failure to turn itself into a real common market has spawned many a border business. Christian Tyler examines one on a trip to the Baltic and finds that it is more profitable to travel than to arrive

THERE ARE 29 of us on the coach, setting out on what must be the cheapest excursion in Europe. We have paid 4 DM (£1.30) each for a round trip by bus and boat of nearly 400 kms. Most of the passengers are working-class pensioners, wrapped up against the winter cold in woolly jumpers and coats, knitted hats and bargee caps. As the coach emerges from the suburbs of Hamburg into the flat north German countryside, we get out our cigarettes, newspapers and lottery forms. Across the aisle a white-haired lady in a mauve sweater and plastic pearls has settled down to a magazine story: "Forbidden Love! Mother (37) sleeps with her son (18)."

After an hour and a half we draw near the Baltic coast and the coach pulls up in a village which smells strongly of cow dung. It is an odd place for a rest-stop: Emil Paasch's sausage factory. But just inside the door a big *fraulein* is selling coffee in plastic cups and hot dogs. To get to the lavatories we have to push past long counters of wurst, smoked ham and sliced goose breast. We can scarcely help buying the odd packet while waiting our turn in the queue.

The bus meanders on through Schleswig-Holstein down to the port of Kappeln, where we are to take ship for Sonderborg in Denmark. Actually, it is immaterial to us where the ship sails to, just so long as she rounds Buoy Four in the Bight of Kiel and drops us over the border. We shan't be on Danish soil for more than five minutes anyway – just long enough to nip through customs and find our bus, which will come round by land to meet us and take us home in the dark to Hamburg.

Our aim is to travel, not to arrive. For we are what the European Commission in Brussels calls "fiscal travellers," a conspiracy of inveterate tax-dodgers. We are not interested in the scenery. We are after duty-free cigarettes, alcohol, perfume, face soap, coffee, chocolate. . .or anything that looks like a bargain.

By rounding Buoy Four and putting out a gangplank in Denmark, our ship is fulfilling the minimum conditions necessary for us to ply our trade. We are fiscal travellers, and this is a *butterfahrt*, one of the many kinds of border business that have grown fat on the European Community's failure to turn itself into a real common market.

The name of our enterprise is of merely historical interest today: when the trips started, butter was the big tax-free draw. Now the shops have managed to undercut the shipboard price of butter by a few pfennigs. But there is plenty of scope left.

Fortunately, for the millions of us every year who cross frontiers simply in order to exploit the sales tax differentials between countries and the duty-free concessions, the bureaucrats in Brussels draw no distinction between genuine travellers and fiscal trippers, so most of the people on our bus make this journey at least once a week. A third do it every single day, summer and winter alike, stocking up for themselves, their families and friends. Some are so well known to the bus drivers and ships' officers that they even get pre-ents on their birthdays.

Of course, the trip is part of the fun, especially if you are old, lonely and relatively poor. "For the pensioners it's better than staying all day in front of the television," explained Peter Bahr, a printer's platemaker on our bus who spends DM 50 on his weekly journeys, a typical outlay. "You've got the fresh air and sea breezes."

The granny in the mauve jumper puts down her magazine to confess that she travels twice a week and spends up to DM60. Apart from alcohol and cigarettes, she goes for chocolate. "It's not that cheap, but it's very good," she said.

On this side of South Jutland alone there are about 20 "butter boats" ferrying West Germans to Denmark and Danes to West Germany on twice-daily duty-free shopping jaunts. The Germans come from as far afield as Braunschweig and Hannover under the Hartz mountains. Some hardy Danes (until their government intervened last year to decimate the travellers' allowance), have been round-tripping all the way from Skagen on the northern tip of Jutland, a 18-hour journey of over 800km.

The shipping lines, usually registered in West Germany but often sailing under the flags of Panama or Liberia, make their profit entirely from duty-free sales, with mark-ups of 40 or 50 per cent on luxury items.

They pay travel agents and coach companies an average DM 15 for each passenger they deliver to the quayside. They may have to pay more if the traffic shows signs of flagging. The ticket price is, of course, purely notional and can drop to virtually nothing at times of severe competition.

"It's not the easiest way to make money", said one ship's officer with long experience of the trade. "But some doctors say if it were not for these boats their waiting rooms would be jammed with people."

In summer the "butter boats" are full, but many of their passengers make bad customers. They are tourists, not serious fiscal travellers, and do not spend enough to earn their passage. Only in winter do you get the hard core. When the weather turns really cold it can be difficult to lure even the regular spenders from their firesides, so the "butter boats" put an electric organist on board and clear a space for dancing; they lay on bingo, card games, or a stand-up comedian.

It is not clear whether Brussels regards the "butter boats" as completely legal. In the early days,the ships simply went out to sea, sold produce and returned to port. That was outlawed by the Bonn Government. However, an opinion of the European Court in November 1983, suggested that, by docking in Denmark, the boats put themselves in the clear. The passengers, it cautioned, should have time to visit the Danish shops. But watching the constant cavalcade of buses roaring up and down the narrow quayside of Sonderborg, it would be hard to claim that the stricture is being observed. According to the Danish tax authorities, there is a compromise whereby West Germany promises to reduce the number of boats, and the Community turns a blind eye to the remainder.

Legal or not, the boats are just one manifestation of a lively trade. The border between West Germany and Denmark positively hums with fiscal traffic. Danes flock south by car and bus, mainly to buy petrol and to do their household shopping in West Germany, where lower VAT rates and excise duties make almost everything cheaper. They spend an estimated DM 1m a day in the 20 supermarkets that have sprung up along the frontier.

At the principal land crossing just north of Flensburg, border baron Erich Toffer takes DM 80,000 a day from his hotel and two shops. Late into the night Danish motorists can be seen at Mr Toffer's pumps, filling up their tanks and spare jerrycans with high octane petrol at 99 pfennigs a litre, two-thirds the price they would pay on the other side.

Paul Slater

Danes can only get their full EC travellers' allowance of spirits and cigarettes if they stay longer than 48 hours out of the country. Mr Toffer encourages them to do so. He has provided an ice-rink and bowling alley, swimming pools at blood heat, sauna baths and whirlpools, and coffin-sized sunlamps for toasting human flesh.

So fast and furious has the trade become that the Danish Government rewrote the rules last year, in alleged contravention of EEC law. For example, it has stopped its citizens from buying their consumer durables across the border. Danish retailers had started opening satellite branches on the other side, devising a system whereby you could order your television or fridge in Denmark, then drive a few miles into Germany to collect it. Now there is a law to prevent the importation of goods "not normally bought by travellers."

This short-rations regime has not interfered with everyone's fun. Danish pensioners still take daytime boat trips in order to buy sugar – an excisable commodity in health-conscious Denmark. At night, it is the turn of the students.

Sonderborg is a student town. Among its colleges, with a population of nearly 3,000, is a military academy attended by the royal princes. When classes are over, the students climb aboard "spirit boats" for booze cruises across to the West German coast. In that time they can put away anough duty-free alcohol to merit the attention of the local police and the national television cameraa on their return.

"A lot of these students are from mid-Jutland and are not used to cheap drink," said Tommy Nielsen, a manager of the E.H. Rasmussen line. "Some of them have even ended up in hospital." He claims that things have improved since the company employed "bouncers" and started scrutinising passports to make sure students are of drinking age. He maintains that students will drink whatever the cost, and it is not the shipping companies' fault if they get disgustingly drunk. The local council, pressed by the police, has banned some of the floating disco parties, brought forward departure times, and built a new jetty for booze cruises away from the town centre.

However, what really irks the sober Danes is how little border cash flows their way. Sonderborg receives over 1.5m German visitors a year, but not many stay more than a few minutes. The neighbouring village of Gasten gets almost a million, with equally little to show for it.

Local shopkeepers do manage to sell some furniture and food specialities, and until quite recently diesel fuel was cheaper in Denmark than in Germany. But the differential has been wiped out by the inexorable advance of Danish tax rates, the incoming traffic has fallen away and the numerous filling stations on Denmark's side of the border are now reduced to selling salami.

Sonderborg boasts a modest trade in weddings, which are especially popular with West Germany's GI brides. Mr Alfred Krogh Petersen, the town's Labour mayor, performs about 200 "quickie" marriages a year, for which two nights in a Danish bed is the principal qualification. But nuptial receipts are small return for the huge outflow of Danish household spending. Even the mayor finds himself in some difficulty when asked if he is a regular cross-border shopper.

Mr Hans Michaelsen, proprietor of the Favor groceries supermarket in Sonderborg, estimates that his turnover is 10 per cent lower than that of a comparable shop in Copenhagen. He says his net margin has been driven down to less than 2 per cent. "Prices in West Germany, because they are expressed in Deutschemarks, seem even lower than they really are," he complained.

Mr Michaelsen and his fellow retailers have been lobbying the Danish parliament for tax reductions on the "magnet" goods that they say account for 6bn Krone a year of Danish imports. "The trade committee of the Folketing (parliament) came here secretly to study the effects of border trade," he said. "But I'm afraid the politicians don't dare tackle the problem."

If they don't dare, it is because Denmark's welfare system can ill afford the tax cuts necessary to bring the country into line with its large neighbour. It would cost the Exchequer about 4.5 per cent of Gross National Product if Denmark were to reduce its indirect tax rates to the levels proposed by the Brussels Commission in its recent proposal for broad EC harmonisation.

Nor can the Government easily raise the revenue elsewhere. According to officials, income tax, already the highest in the Community, would have to be raised another 13 percentage points to make the good the deficit.

The Danish Government will be one of the last member states to swallow tax harmonisation. Meanwhile, it has tried to wriggle out of its problems by exploiting a loophole in EC law and cutting its citizens' travel allowances to the level they would be allowed if they all lived on the German frontier. "We argue that even if these people who go on organised shopping trips are not border-dwellers, they are behaving as if they were," said a ministry official in Copenhagen.

It is a nice point, but one which seems unlikely to sway the European Court when it hears the cases brought by the Commission against the state of Denmark.

Denmark is not the only EC country to suffer from fiscal traffic. It is much the same story at other EC borders. There is, for example, the notorious village of Martelange on the Belgium-Luxembourg frontier, where the Belgian side of the street is houses and the Luxembourg side is all filling stations, selling petrol at a 25 per cent discount. Irish citizens spend huge sums in shops and garages in Ulster, especially at Christmas.

Cross-border shopping is more than a compulsive habit of housewives or a minor irritation for retailers. It is more than a budgetary nuisance for high-taxing welfare states such as Denmark and Ireland. It looks like becoming a large Europroblem. Fiscal travel is one of the biggest obstacles to the Community's ambitious goal of "completing" the internal market by scrapping all border checks in time for the deadline year of 1992.

The job of frontier officials is not just to catch criminals or stop the spread of rabies and other pests. Most of their time is spent preventing the wholesale avoidance of tax on goods. It is up to them to enforce the travellers' allowances which limit the extent to which ordinary citizens can escape their fiscal obligations to their own governments.

The Eurocrats say that in order to achieve free movement across internal frontiers and to create a Community that feels like a free market, customs checks will have to be abolished. But, if they are abolished, there will be a huge increase in cross-border shopping. Therefore, the EC member states must remove the fiscal traveller's incentive by bringing tax and duty rates into line.

Logically, the duty-free allowance will have to go as well. If the EC is to become one big home market, can we claim to be going abroad when we fly from London to Paris or from Dusseldorf to Naples, let alone when we take the boat from Kappeln to Sonderborg?

If Brussels gets its way, the floating supermarkets that ply the Bight of Kiel will be sunk with all hands. It is estimated that up to 5,000 West German transport workers would lose their jobs. The border supermarkets would shut. Danish students would get on with their work. But a lot of frustrated pensioners could end up in their doctor's waiting room.

The Long View

That sacred cow called pensions

The only certainties in life are birth, death and taxes. Perhaps, says Barry Riley, we can add pension tax relief and commutation rights to that list

IN THE LONG run we are all dead; but first we hope to collect a pension, with the kindly help of the tax man. That assistance now appears to be secure. In the wake of Nigel Lawson's Budget the pensions industry can breathe freely once again: the days of potentially dangerous tax reform are over, at least for the duration of this parliament, and an inviting period of growth lies ahead.

Last year, the possibility was of serious restrictions on personal pensions, but the imposition of the £150,000 limit on cash lump sums was less than crippling. This year, the Chancellor might have disallowed relief against higher rate income tax but passed up the opportunity. The cut in the top rate itself reduces the appeal of pensions as tax shelters for the rich, but by no means eliminates it.

It is, on the face of it, surprising that a radical Conservative Government has failed to take more of an axe to the pensions industry. It represents precisely the kind of institutionalisation of savings that Thatcherism is supposed to be against. While there might be £500m in Personal Equity Plans, Lawson's individualised tax shalter, there is more than £200bn in company pension schemes alone.

In fact, the Government's energy has been focused on cutting the state system called Serps (State Earnings-Related Pension Scheme) down to size. The process of privatising pensions has, however, served to proliferate the choices and make the system ever more complex.

Let us take the random example of, say, a journalist with a reasonable level of freelance income. He can now have three different pension arrangements - his company scheme, a private plan covering at least 17.5 per cent of his Schedule D income, and a free-standing additional voluntary contribution (FSAVC) plan to top his company contributions up to the maximum 15 per cent. Perhaps this little lot could be combined with a pension mortgage.

How did we ever get to this stage? The basic interest of the state in encouraging provision for old age is clear enough. If retired citizens become impoverished, the burden of supporting them is bound to fall on the government.

One obvious way of encouraging people to save for their retirement is to offer them tax relief, on various conditions. With the carrot comes the stick. Pension arrangements can be restricted, so that people cannot dip into the pot before retirement age. Moreover, they can be required to take the proceeds of the plan as income, so that the tax on contributions is not so much relieved as deferred.

So far so good. But there is a basic flaw, in that the poorer people who most need support in their old age are the least likely to be interested in pension arrangements. Hence the compulsory nature of Serps (and the alternative contracted-out company schemes). Personal pensions are unlikely to make much impact in the lower half of the incomes spectrum, partly because it is not worthwhile for intermediaries to try to sell low-value plans.

In contrast, the really eager pursuers of pension plan opportunities are the wealthy, encouraged by their financial advisers who can gain fat commissions at this end of the market. But why is the state encouraging the rich to provide for their old age? Surely they could look after themselves, given a reasonably low top rate of tax? This section of the population has also gained enormously from the capital appreciation of houses, another form of investment enjoying a huge tax break.

The muddle is increased by the persistence of the anomaly that retiring beneficiaries are allowed to take part of their entitlements in the form of a tax-free lump sum. An occupational scheme member can take 1.5 times his final salary in this way, while a personal plan-holder can commute 25 per cent of the fund.

Besides destroying the tax symmetry of pensions, this entitlement has spawned various devices, notably the increasingly popular pension mortgages which are beginning to become available to occupational scheme members as well as people with self-employed personal plans.

The lump sum goes back to the early days of civil service superannuation when colonial officials returning from India or Rhodesia needed a cash sum to buy their retirement cottages in the Home Counties. In this sense, the pension mortgage has a long and respectable pedigree. But the lump sum has long outlived its relevance, even though, in the interests of equity, its availability has over the years been extended to company and personal plans.

How can the lump sum's irrational persistence and extension be explained? Other perks such as the undertaxing of company cars have gone, or at least are on the way out. Even mortgage interest relief, restricted to loans of £30,000, gradually is being rendered obsolescent by house price inflation. But tax-free commutation, it would appear, is too close to the hearts of the middle classes to be threatened seriously, even by a reforming Chancellor.

The reason, I assume, is that it represents one of the few sources of protection against the ravages of a future left-wing government. There is no political consensus about higher rates of income tax: a Labour administration would doubtless put them back up again sharply. But the historical evidence is that there is a consensus about pension taxation. When the top rate of tax on earnings was 88 per cent in the 1970s, the existence of the tax breaks on pensions was a vital protection for the wealthier income groups.

The polarisation of political attitudes in Britain can therefore seriously inhibit tax reform. Some argue, for instance, that the application of the marginal income tax rate to capital gains is a hostage to fortune; it is all very well when the top rate is 40 per cent, but could open the way to confiscatory rates in future. That thought did not stop Nigel Lawson from abandoning the 30 per cent consensus rate of tax on capital gains which survived Denis Healey, the last Labour Chancellor. But pensions are different.

The only certainties in life are birth, death and taxes. Perhaps we can add pension tax relief and commutation rights to that list.

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Off one tightrope and onto another?

"ACTIONS," remarked Chancellor Nigel Lawson sagely, in one of his innumerable interviews this week, "speak louder than words." On that point, at least, the London market's agreement was unequivocal.

Having been put into a dither by the reported clash between numbers 10 and 11 Downing Street over exchange rate – and, therefore, interest rate – policy, dealers tuned into 100 minutes of Budget wisdom, hoping for enlightenment.

What they got was 100 minutes of tax reform – billed boldly as radical and sufficient to keep every personal financial adviser glued to his desk for weeks but, from the market's point-of-view, little more than the re-slicing of an existing cake.

True, there were the tax cuts – worth a net £4bn-plus and somewhat higher than expected. But, there again, the Chancellor was able to talk about a "public sector debt repayment" – a PSBR surplus to everyone else – of £3bn in 1987/88 and hold out a similar prospect for the following year.

More pertinently from the market's viewpoint, Lawson remained notably silent over the pressing matter of interest rates and, indeed, by Wednesday appeared to be discouraging the idea of an early cut. So, dealers promptly assumed that potential inflationary pressures within the economy – or the Prime Minister's views – were outweighing currency considerations in the shape of a surging pound.

Then, on Thursday, action took over. Down clattered base rates by half a percentage point, to 8.5 per cent, and up went the market's spirits. Having gained almost 30 points during the first two trading days – largely ahead of, rather than immediately after, the Budget – ths FT-SE 100-Share index halved that advance on Wednesday. Thursday's surprise move nudged it back on a tentative upwards trend.

Come Friday, the lower-than-expected US trade deficit for January, a subsequent overnight

London

burst on Wall Street and signs of slower banking lending growth at home, sent it motoring. By Friday's close, Footsie stood at 1,855.5 – a gain of 21 points on the Budget account and its highest level since October.

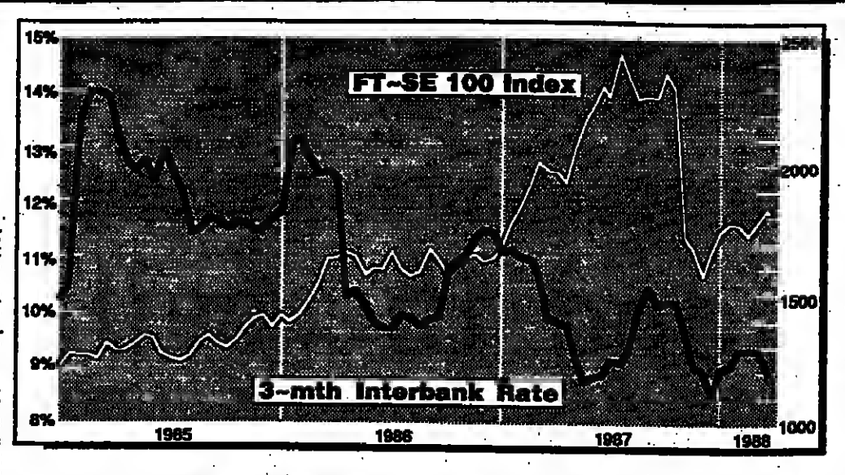
All of which should be good news, especially since trading volumes remained at more healthy levels with SEAQ showing 400m-500m shares traded daily. Yet, if analysts and dealers alike ended the week feeling battered and a touch bewildered, they could scarcely be blamed.

Interest rates, after all, are back to the level at which the authorities pushed them when the post-October gloom overhung the economy, and the subsequent base rate rise to 9 per cent early in February had been interpreted widely as a move to head off lurking inflationary pressures as this recessionary threat diminished.

If that was prudent action in February, there are grounds for arguing that it would be still be prudent today. Buried in the wealth of statistics last week were Department of Employment figures showing that earnings in January continued to rise at around 8.5 per cent a year – well in advance of inflation.

True, the bank lending statistics provided a good measure of comfort – with February's figure comparing with £5.5bn for January and running out comfortably below City estimates (£3bn-plus). Moreover, Lawson himself was predicting a 4 per cent inflation rate for 1988. Then again, the cut in basic rate tax can only underpin consumer spending growth, and the inflation forecast was read widely as the least convincing part of the Budget speech.

The difference between today and February, of course, is that currency considerations have come into dramatic focus – in particular, the pound's breaching of the DM3 level – and that, in turn, provokes increased fears on the balance of payments front. Unfortunately, last week's half-point cut in base rate appeared to have little effect; by Thursday night, sterling was still bumping around the DM 3.097 level – with DM 3.10 seen as the new cap – and standing at 1.8325 against the dollar.



All of which prompted a few commentators to wonder if the authorities hadn't simply leapt off one tightrope, running between recession and inflation, and on to another.

Where this leaves the equity market is a moot point. On the plus side, there are the buoyant industrial undertones which Lawson declaimed so proudly – backed up well by a broadly encouraging string of company results last week from the likes of United Biscuits, Rowntree, and BTR. These can only be helped by any demand boost, plus the nudging down of interest rates.

Offsetting all this, though, is the impact of the higher pound – spelt out painfully in figures from Glaxo and Jaguar – and the lingering fear that the inflation picture will not be as pretty as Lawson paints. For five months, the canniest commentators have hedged their bets and signalled caution. Their tune is today notably brighter, and forecasts that Footsie could push through the 1,900-level within months are fairly widespread. But still, no one who values his reputation says anything without caveats.

As for the gilt market, that ended the week much as it started, with the yield on high coupon longs standing at 9.12 per cent on Thursday night compared with 9.11 per cent on the previous Friday. There were, of course, hiccups in between: having advanced ahead of the Budget, Lawson's speech worried the gilt market – due largely to the size of the tax handouts and qualms about the fiscal arithmetic.

By Wednesday, cooler reflection and thoughts about the prospective funding levels had helped to soothe a few nerves, but Thursday's base rate reductions provided little immediate comfort. Only on Friday did the inflationary worries abate somewhat and prices push ahead. Even then, tha market eased back by the afternoon.

Within the overall framework, the Budget inevitably produced its own selection of winners and losers. Life insurance companies fared nicely on the absence of any tax-clobbering and the benefits of CGT exemption on pre-1982 gains; brewers welcomed the modest increase in beer duty and absence of any change on the spirits front. Stores, too, took some heart from the scale of the tax cuts, while the printing/publishing sector breathed an un-VA-Tified sigh of relief.

Not so happy were the DIY retailers and building material suppliers. By knocking mortgage relief off home improvement loans, the market concluded that the Chancellor had dealt a blow to future demand and growth. But, again, second thoughts drifted towards the prospect of a pre-abolition boom and some offsetting benefit from the reduced tax rates.

Nikki Tait

Country living gets a convert

POST-Bndget, post-crash, the Unlisted Securities Market battles on, standing at an historically small premium to the main market of 9.5 per cent. The days of huge premiums on new issues are over but the trickle of hopeful candidates continues.

One such is MMEC – Merchant Manufactory Estate Company – which intends to raise around £10m in the USM's second offer for sale this year, valuing the company at £20m. MMEC was founded in 1984 and was orginally purely an investment company.

It recently moved into residential developments with the acquisition of Selladale, a commercial and residential development company run by Paul de Savary, who is now MMEC's chief executive.

Junior Markets

Selladale's main project last year was Unity Wharf, a disused warehouse near London Bridge which has been converted into residential and office accomodation. However, de Savary recalls: "We decided to get out of Docklands because it was an overheated, mainly residential market."

He turned instead to converting evocative-sounding former industrial properties – like Coxes Lock, Dunkirk Mills and the Seed Warehouse – into flats in areas with "a strong local market" like Surrey, Gloucestershire and Dorset.

"We were following the wave out of town," says de Savary, "and residential property outside London was due for a rise." As yet, the development business has contributed little to profits, but it should eventually account for about 50 per cent.

MMEC more or less doubled its property portfolio with the acquisition of six properties last year from London Securities. These stretch from Stockton-on-Tees down to Coventry.

Director Anthony Iremonger argues that MMEC is keen to buy against the trend. "We are very keen on the north-west. The increase in rental income is working its way up the country as the opportunities move away from London."

The shares are expected to be offered on a small premium to net asset value. Tha last pre-crash USM property issue was Stanhope, which started trading on a substantial premium and a share price twice the minimum tender level.

Post-crash, however, the shares fell back to well below the tender price and to a discount to NAV - as has happened to most trading companies.

Brokers to the issue are Chase Manhattan, formerly Simon & Coates, and Laurie Milbank, which also is sponsoring a £1.7m placing for the MTL Instruments group which will value thet company at around £12.5m.

MTL, which started life in a disused Luton hat factory in 1971, stops things going bang. It designs, manufactures and markets electronic explosion protection instruments and other electrical safety devices which are are used in hazardous areas such as oil rigs and chemical plants.

The days of huge premiums on new issues are over but a trickle of hopeful candidates continues

Its main customers are BP, British Coal, British Gas, ICI and Shell, while just under 60 per cent of sales are overseas.

MTL is one of the world's three largest companies using a technique called intrinsic safety (IS). This means restricting electrical energy in circuits so that any sparks or hot spots that may occur are too weak to cause an explosion.

The concept is not new – it was invented in 1914, for use in coal mines – but its popularity has been boosted by the development of semi-conductors and the introduction of lighter and simpler equipment that can be used with IS.

MTL devotes cconsiderable time to research and development – 8 per cent of annual spending – and to making sure its products comply with the varying safety standards around the world. Ian Hutcheon, the chairman and managing director, argues this would make it hard for competitors to break into the business.

It seemed a bit cruel to ask Hutcheon, clearly the key force in the company, about his age (64), particularly as he looks pretty healthy. However, ha replied that although he had no intention of retiring soon, "the rest of the directors have a lot of experience of the industry and there is a pretty large raft of senior and middle management."

MTL's profit record is fairly solid and totally organic, although there have been some ups and downs. In particular, the fall in oil prices in 1986 meant lower revenues from the oil sector. The effect of this was exaggerated by a boom in orders the previous year.

The proceeds of the issue will be used to boost working capital and fund possible acquisitions, although there are no targets in mind at tha moment. And although Hutcheon has had 30 approaches for the company in the past year, he has no intention of selling out. An historic p/e of 10.8 looks reasonable for a company with a good record and competent management.

Heather Farmbrough

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1987/88 High	1987/88 Low	
FT Ordinary Index	1476.8	+26.9	1926.2	1232.0	Firm after eventful week.
Antofagasta	265	+28	335	133	'Buy' signals follow annual results.
BTR	289	+16	374	228	Satisfactory preliminary figures.
Bass	866	+31	£10½	579	Lower than expected duty increases.
CASE Group	80	+18	143	46	Gandalf Tech. acquires stake.
Crowther (J.)	175	+47	236	89	Bid approach.
Economic Forestry	78	-18	131	78	Woodlands tax alterations.
Glass Glover	250	+77	346	160	Bid approach.
Land Securities	540	+29	614	336	Benefits of CGT changes.
Legal & General	298	+36	392	228	Benefits of CGT changes.
Ransomes	266	+33	413	203	Base rate cut/Morgan Grenfell 'buy'.
Redfearn	533	+47	617	325	New chairman appointed.
Sequa	378	+113	480	52	US parent bids 400p cash for minority.
Silkolene	306	+45	360	158	BZW 'buy'/prelims. on Wed.
VG Instruments	419	+29	577	348	Acquisition of Kevex/figs. on Wed.

P&O looks to £260m pre-tax

CONTROVERSY mixes with concern and the patrician with the pedestrian in next week's list of results due, with corporate events outshining the economic until next Friday when the UK balance of payments and the retail price index for February are expected to hold centre stage.

P&O produces results on Tuesday. The parent is of such a size that a major strike at Euroferries is regarded as a minor nuisance at group level by City analysts. The same subsidiary's Zeebrugge disaster might overhang sentiment about the company, but the fact is that the shares are up by 5 per cent against the market over the past three months.

Results Due

Profits are expected to reach £260m pre-tax to produce a small improvement in earnings per share, but currency considerations could trim this a little.

The PRUDENTIAL, which reports for 1987 on the same day, coincidentally was the lead insurer for the Zeebrugge disaster ferry Herald of Free Enterprise. But the City thinks that the loss will have been well spread and that November's hurricane losses will have been restricted to £10m by reinsurance.

"Pru" fans concede, however, that the hurricane, adverse currency movements and, most recently, disappointing results in Canada have trimmed forecasts to about £225m pre-tax after a 50 per cent rise to £103m in first-half profits.

Meanwhile, controversy rules in discussion of the BUETON GROUP. It is expected to lift profits by 18 per cent this year and to report a rise from £92.2m to £105m at the half-way mark, again on Tuesday.

The DTI inquiry into the Debenhams' takeover is not helping the controversy over chairman Sir Ralph Halpern's management style to settle down. That this style produced an 85 per cent jump in profits 18 months ago, not to mention a revolution in the UK retailing industry, seems to count for little today.

Fellow retailer Geoffrey Mulcahy, chief executive of WOOLWORTH, is expected to produce annual pre-tax profits of £140m on Wednesday. There were inflamed expectations of £160m to £170m a year ago, as people were excited by the 40 per cent jump to £115.3m in profits reported at that time, but the winter trade appears to have been disappointing this time around.

Pedestrian but worthy is how BAT INDUSTRIES might be seen. Here, too, forecasts for the tobacco-based conglomerate have come back, this time with the dollar in which a good 50 per cent of the group's profits are denominated; and with the drop in equities which has hit the investment account of Eagle Star, the insurance group which is at the core of BAT's move into financial services.

Profits for the year could be fractionally down at £1.38bn before tax, disguising an underlying ex-currency growth of 15 per cent.

William Cochrane

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder
	Prices in ½p unless otherwise indicated				
Britoil‡	500*	519	294	2.52bn.	BP
City Merch't Dev	95	94	100	89.70	Inary Intl.
Est. Prop. Inv.	240*	248	230	58.19	Peachey Prop.
Hampton Trust‡	88	88	108	73.34	Southend Prop.
Henderson Group	375*	369	341	84.19	Hepworth C'nic
Henderson Group	352	369	329	79.03	Newman–Tonks
MS Intl.	130*	128	83	34.71	Dobson Park
Moorgate Merc.	144§	138	138	37.44	Woodchester Inv
Oilfield Insp.‡	63*	63	62	4.49	Hincorp
Phoenix Prop.‡	170	171	149†	62.70	Mountleigh
Share Drug‡	305*	305	315	32.02	Woolworth Hldgs
Tricentrol‡	200*§	200	190½	185.73	Atlantic Rich.
Wiglalls	225*§	223	209	16.00	Dixons

*All cash offer.†Cash alternative. ‡Partial bid. §For capital not already held. ‡Unconditional. **Based on 2.30 pm prices 18/3/88. †At suspension. §§Shares and cash. ♦Released to NAV to be determined. ▼Loss stock. ♦Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Admiral Comp	Dec	1,250	(1,020)	8.0	(7.0)	1.5	(-)
Alida Holdings	Dec	4,400	(3,800)	25.2	(22.1)	9.2	(8.0)
Alliance Tst	Jan	21,700	(20,500)	27.8	(25.8)	27.5	125.0)
Appleyard	Dec	5,390	(2,620)	43.3	(28.2)	12.0	(7.0)
Beatson Clark	Dec	1,560	(1,270)	12.7	(11.7)	8.5	(8.5)
British Vita	Dec	28,250	(19,770)	33.3	(23.2)	9.2	(6.2)
Britoil	Dec	403,900	(133,800)	28.9	(-)	-	(-)
BTR	Dec	590,000	(505,000)	23.6	(21.2)	9.7	(8.2)
Camellia Inv	Dec	1,590	(1,020)	47.2	(33.1)	17.0	(14.0)
CCF Group	Dec	4,080	(2,520)	20.4	(15.9)	3.0	(2.0)
Church & Co	Dec	5,900	(5,020)	121	(86.5)	29.5	(26.0)
Citygrove	Nov	2,180	(715)	20.0	(9.4)	4.0	(1.5)
Clarke T	Dec	1,540	(878)	9.7	(5.5)	3.2	(2.7)
Cosah	Dec	1,700 L	(2,300)	-	(4.6)	-	(-)
Davidson Pearce	Dec	4,100	(3,890)	13.5	(11.8)	3.3	(3.0)
Delta Group	Jan	64,200	(57,140)	28.6	(24.8)	9.0	(7.6)
Doeflex	Dec	1,160	(1,140)	8.9	(8.3)	3.4	(-)
DRG	Dec	50,200	(39,160)	34.4	(27.5)	11.3	(9.8)
Edin Fund Man	Jan	5,570	(5,750)	24.5	(24.8)	9.5	(8.0)
Enterprise Oil	Dec	72,500	(2,900)	17.6	(10.8)	9.5	(8.4)
Fisher James	Dec	2,600	(2,560)	6.7	(5.6)	3.6	(2.0)
Glynwed Int'l	Dec	60,400	(46,100)	34.9	(27.5)	12.1	(10.1)
Halls Homes	Dec	1,400	(1,140)	8.1	(9.6)	3.7	(-)
Hampden Home	Jan	1,270	(1,020)	8.1	(6.9)	1.8	(1.6)
Hibernian Group	Dec	9,350	(6,630)	10.8	(8.4)	3.9	(3.6)
Invergordon Dis	Dec	5,570	(5,210)	16.5	(15.5)	5.7	(5.2)
Jaguar	Dec	97,000	(120,800)	-	(-)	10.5	(9.5)
Keep Tst	Dec	4,300	(2,710)	41.4	(29.3)	9.0	(6.7)
Legal & General	Dec	68,300	(73,500)	-	(-)	11.5	(9.7)
Lowe Howard	Dec	11,110	(7,320)	30.4	(23.3)	10.0	(8.0)
Lyon & Lyon	Dec	480	(260)	8.5	(4.7)	4.8	(4.0)
Mayborn Group	Dec	2,420	(2,390)	8.4	(10.0)	3.5	(-)
McLaugh & Harvey	Dec	1,430	(1,080)	22.3	(16.2)	8.0	(7.0)
Morgan Grenfell	Dec	60,100	(82,200)	-	(-)	-	(-)
New Darien Oil	Jan	77	(138)	0.4	(1.0)	0.7	(0.7)
Norfolk Capital	Dec	5,230	(1,140)	1.3	(0.5)	0.4	(0.3)
Pentland Ind	Dec	68,000	(77,200)	13.5	(15.1)	0.6	(0.4)
Ransome Sims	Dec	9,730	(8,040)	25.6	(21.3)	7.2	(6.0)
Rea Brothers	Dec	1,320	(2,440)	-	(-)	1.7	(1.2)
Rich Westgarth	Dec	277	(24)	1.4	(0.2)	1.0	(-)
Robinson Bros	Jan	1,080	(1,030)	-	(-)	7.0	(7.0)
Rockwood Hldgs	Dec	1,040	(154)	5.0	(1.2)	0.4	(-)
Rowntree	Dec	112,100	(84,000)	40.8	(35.0)	15.5	(13.3)
Ryan Int'l	Dec	10,030	(8,840)	14.8	(13.6)	4.0	(-)
Simon Eng	Dec	23,500	(28,000)	24.4	(29.3)	11.5	(11.5)
Spandex	Dec	2,440	(1,850)	15.7	(13.0)	3.0	(-)
Steel Burrill	Dec	4,480	(5,380)	16.2	(19.2)	10.0	(9.0)
T&N	Dec	77,300	(20,870)	23.3	(23.9)	8.5	(7.5)
Trans Develop	Dec	43,500	(39,400)	20.0	(17.1)	8.5	(7.5)
Trifoos	Sept	3,180 L	(510)	-	(2.9)	-	(-)
United Biscuits	Dec	147,000	(125,200)	23.9	(20.3)	11.0	(9.5)
W Duncan & Good	Dec	1,430	(6,880)	76.5	(309)	20.0	(20.0)
Watmoughs	Dec	4,810	(3,120)	26.8	(18.9)	8.2	(6.0)
World of Leather	Dec	750	(1,250)	7.2	(10.0)	3.2	(3.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Armstrong Equip	Dec	4,100	(3,530)	1.1	(0.9)
Armitage Brothers	Dec	255	(572)	2.0	(2.0)
Close Brothers	Jan	3,120	(1,510)	1.6	(1.5)
Ford Sellar Morris	Jan●	2,000	(2,200 L)	1.0	(-)
Gent SR	Dec	606	(515)	0.5	(0.4)
Glaxo	Dec	397,000	(373,180)	7.0	(5.0)
HTV	Jan	8,320	(7,810)	3.7	(3.2)
Imtec	Dec	852 L	(504 L)	-	(-)
IFICO	Dec	850	(390)	1.5	(1.0)
Interesupe Tech	Dec	248	(801)	2.0	(2.0)
Intellisk Express	Dec	3,080	(2,130)	3.2	(2.3)
Int'l City Holdings	Dec	7,349	(7,170)	3.0	(3.0)
MAI	Dec	24,400	(24,100)	1.2	(1.2)
Paterson Zochonis	Nov	11,900	(16,300)	1.8	(1.7)
Pochin's	Nov	755	(687)	4.0	(4.0)
Renaissance Holdings	Dec‡	367	(-)	3.0	(-)
Resistaw	Dec	2,330	(4,190)	1.0	(0.8)
Sirdar	Dec	3,900	(3,780)	1.6	(1.6)
Thorpe FW	Dec	726	(674)	2.2	(2.0)
Town Centre Sec	Dec	1,680	(1,510)	0.5	(0.4)
TWS	Jan	1,960	(1,810)	0.9	(0.8)
Wolseley	Jan	41,000	(29,520)	2.3	(2.0)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss.‡ figs for nine months.● second int for 12 mth to Jan.

RIGHTS ISSUES

Compsoft Holdings are to raise £2.4m via a three-for-five rights issue at 35p.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

HI-Tec are heading for the main market via an offer for sale this summer.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 27%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	2.40	2.43	1.83	1.33	monthly	1	-	0-7
High interest cheque	4.60	4.70	3.54	2.58	monthly	1	1,000-4,999	0
High interest cheque	5.00	5.12	3.86	2.81	monthly	1	5,000-9,999	0
High interest cheque	5.40	5.54	4.17	3.04	monthly	1	10,000-49,999	0
High interest cheque	5.80	5.96	4.49	3.27	monthly	1	50,000 minimum	0
BUILDING SOCIETY†								
Ordinary share	4.00	4.04	3.04	2.21	half-yearly	1	1-250,000	0
High interest access	5.75	5.75	4.33	3.15	yearly	1	500 minimum	0
High interest access	6.00	6.00	4.52	3.29	yearly	1	2,000 minimum	0
High interest access	6.50	6.50	4.90	3.56	yearly	1	5,000 minimum	0
High interest access	6.75	6.75	5.09	3.70	yearly	1	10,000 minimum	0
90-day	6.75	6.86	5.17	3.76	half yearly	1	500-9,999	90
90-day	7.00	7.12	5.36	3.90	half yearly	1	10,000-24,999	90
90-day	7.25	7.38	5.56	4.04	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds	10.50	8.04	6.06	4.41	monthly	2	2,000-100,000	90
Deposit bond	10.50	7.67	5.78	4.20	yearly	2	100-100,000	90
33rd issue♦	7.00	7.00	7.00	7.00	not applica	3	25-1,000	8
Yearly plan	7.00	7.00	7.00	7.00	not applica	3	20-200/month	14
General extension	5.76	5.76	5.76	5.76	not applic.	3	-	8
MONEY MARKET ACCOUNTS								
Schroder Wagg	6.02	6.19	4.66	3.39	monthly	1	2,500 minimum	0
Provincial Trust	6.58	6.78	5.10	3.71	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
5pc Treasury 1986-89	7.59	6.20	5.27	4.51	half yearly	4	-	0
8pc Treasury 1992	8.93	6.73	5.26	4.03	half yearly	4	-	0
10.25pc Exchequer 1995	9.24	6.56	4.77	3.28	half yearly	4	-	0
3pc Treasury 1990	7.04	6.19	5.62	5.15	half yearly	4	-	0
3pc Treasury 1992	7.23	6.34	5.75	5.25	half yearly	4	-	0
Index-linked 2pc§§	7.36	6.81	6.44	6.14	half yearly	2/4	-	0

*Lloyds Bank.†Halifax 90-day; immediate access for balances over £5,000.♦ Special facility for extra £5,000 §Source:Phillips and Drew. §§Assumes 4.5 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

RESULTS DUE THIS WEEK

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Arnotts	Thursday	4.5	7.8	4.5
ABD	Monday	4.0	4.5	4.5
Aurora	Wednesday	3.0	1.2	3.0
Automated Security	Thursday	0.7	1.1	3.0
Banner Homes Group	Tuesday	-	-	-
Banro Industries	Thursday	1.5	4.5	1.9
Barker Charles	Wednesday	1.0	2.0	1.1
Barker & Dobson	Wednesday	-	1.0	1.5
BAT Industries	Wednesday	3.0	8.0	3.0
Beauford Group	Friday	1.0	2.5	1.2
Beecroes Corp	Thursday	3.0	8.0	3.5
Berkeley & Hay Hill	Monday	-	-	-
Bilston & Bettersea Enamels	Tuesday	-	0.7	-
Biomechanics Int'l	Thursday	-	-	-
Bodker	Monday	4.7	9.0	5.4
Bowthorpe Holdings	Tuesday	0.9	1.8	1.5
Brake Bros	Thursday	-	1.5	3.0
Bradaro Properties	Monday	1.8	2.7	1.7
Bridon	Thursday	1.5	4.0	1.6
Britannia Arrow	Wednesday	1.9	3.2	2.9
Britannia Assurance	Wednesday	11.6	24.5	14.9
British Mohair Hldgs	Wednesday	1.2	6.2	1.4
Campari Int'l	Wednesday	0.5	2.5	1.5
Catalyst Communications	Thursday	-	-	-
Central Independent TV	Thursday	4.0	18.0	8.0
Christy Hunt	Wednesday	-	-	0.5
Clyde Petroleum	Tuesday	-	-	-
Colorgraphic	Thursday	-	-	-
Compiler People	Wednesday	-	-	-
Cookson Group	Thursday	2.7	8.0	4.0
Croda Int'l	Thursday	3.0	6.0	3.4
Cundell Group	Wednesday	-	-	-
Davies & Metcalfe	Friday	0.6	-	0.6
Dean & Bowes	Thursday	1.0	2.0	1.5
Delaney Group	Wednesday	0.0	1.9	1.1
Dawcutter Brothers	Thursday	2.5	6.2	2.7
Dickie James & Co	Tuesday	0.0	-	-
Early's of Witney	Wednesday	0.3	1.0	0.3
European Home Products	Thursday	-	2.5	2.0
Evans Halshaw	Monday	0.7	3.5	2.0
Falcon Industries	Wednesday	0.5	-	-
Filofax	Thursday	-	-	0.7
Ford Sellar Morris Prop	Monday	-	-	-
Garton Engineering	Monday	1.0	3.0	1.2
Gaskell Broadfoot	Friday	2.0	4.0	2.2
Genet	Tuesday	-	1.0	-
Guinness	Thursday	2.2	2.1	3.0
Hall Engineering	Tuesday	4.0	8.0	4.6
Hay Norman	Friday	1.5	2.7	1.7
Hepworth Ceramic	Wednesday	3.1	5.2	3.6
Hickson Int'l	Monday	2.0	0.1	3.2
Hunter	Tuesday	-	3.0	2.0
Ireland Frozen Foods	Tuesday	1.2	2.9	1.4
JMI	Monday	2.6	3.5	2.7
Isle of Man Steam Packet	Thursday	-	-	-
Jamieson's Chocolates	Wednesday	2.0	4.0	-
Jantar	Tuesday	-	-	-
Johnson Group Cleaners	Tuesday	3.5	-	4.3
Jones & Shipman	Wednesday	1.1	3.0	1.1
Kwik-Fit Holdings	Monday	1.6	1.6	1.2
Laing Properties	Thursday	3.5	4.5	4.0
Lankester	Tuesday	-	-	-
Lionrad	Monday	1.0	2.0	1.2
London & Edinburgh Tst	Thursday	0.6	1.0	0.7
Macallan-Glenlivet	Friday	1.0	2.0	1.1
Mackay Hugh	Monday	1.0	4.0	2.0
Mandara Holdings	Friday	3.0	7.2	3.3
Martin Currie Pacific Tst	Thursday	-	0.3	-
Matthews Bernard	Wednesday	0.6	1.1	0.6
MBS	Tuesday	-	0.5	-
Meggitt Holdings	Wednesday	3.0	1.2	0.7
MEMEC	Monday	0.9	2.4	1.1
Metalrax Group	Monday	0.7	1.7	-
Miller Stanley	Tuesday	2.0	0.7	0.5
Molins	Thursday	2.2	3.0	2.0
Monument Oil & Gas	Wednesday	-	-	-
North Sea & General	Wednesday	-	-	-
Northern Engineering Ind	Wednesday	1.5	3.6	1.5
P-E Int'l	Wednesday	1.5	2.0	1.2
PBO	Tuesday	7.5	11.5	-
Pleasurama	Tuesday	1.0	3.0	2.0
Prudential Corp	Tuesday	10.0	16.0	11.5
Ransomes Group	Wednesday	1.5	1.8	1.2
Rolls Royce	Thursday	-	-	-
Rotork	Wednesday	2.7	3.8	-
Rutland Trust	Monday	-	0.1	-
Sharpe & Fisher	Tuesday	0.7	2.2	1.6
Silkolene Lubricants	Wednesday	3.0	3.0	4.0
Smith & Nephew	Thursday	0.5	3.0	1.4
Spirax Sarco Engineering	Thursday	1.0	4.2	1.7
Spring Ram	Monday	0.2	0.5	0.2
Stag Furniture	Wednesday	1.7	3.7	1.7
Sumleigh Electronics	Wednesday	0.1	0.2	0.2
Suter	Monday	1.6	2.3	1.5
Tilbury & Bristol	Wednesday	-	1.6	-
Trade Indemnity	Tuesday	1.8	2.4	2.0
Trinity Int'l	Monday	2.0	10.0	7.6
T&S Stores	Tuesday	0.7	1.6	2.0
TV-AM	Thursday	1.6	4.3	2.0
VG Instruments	Wednesday	1.2	2.4	1.5
Waterford Glass	Tuesday	1.2	1.7	1.2
Willes Jardee	Thursday	0.0	3.7	3.3
Wills Group	Thursday	2.0	4.4	2.0
Wilson Bowden	Thursday	-	-	1.3
Wolverhampton Flint	Tuesday	-	3.0	-
Woolworth Holdings	Wednesday	5.0	11.0	3.0
INTERIM DIVIDENDS				
Alter	Monday	-	-	-
Bellie Gifford Japan Tst	Wednesday	-	0.1	-
Bankers Invest Tst	Wednesday●	0.4	-	-
Barratt Developments	Wednesday	2.0	6.4	-
Bezzer	Tuesday	1.7	3.6	-
Benchmark	Tuesday	0.7	0.9	-
Bristport Gundry	Friday	1.9	8.1	-
Burton Group	Tuesday	2.0	5.2	-
Chambers & Fergus	Wednesday	1.0	1.7	-
EFM Dragon Tst	Tuesday	-	-	-
Entertainment Production	Monday	-	-	-
Ferry Pickering	Friday	1.4	2.1	-
Gelsted	Tuesday	1.1	2.2	-
GG Flooring & Furnishing	Tuesday	-	1.6	-
Halstead James	Monday	2.5	4.0	-
London & Strathclyde	Monday	1.1	2.3	-
Lucas Industries	Thursday	2.8	13.4	-
Magnetic Materials	Friday	0.9	2.0	-
Maunders John	Tuesday	0.9	1.0	-
Mowat Group	Tuesday	-	-	-
Murray Electronics	Wednesday	-	0.2	-
Pilco Holdings	Monday	2.5	4.0	-
Pressac Holdings	Monday	2.0	2.3	-
Randerswith Tst	Wednesday	-	1.6	-
Sanderson Murray & Elder	Wednesday	-	3.0	-
Spectrum Group	Monday	-	-	-
Stanhope Properties	Tuesday	-	-	-
Strong & Fisher	Tuesday	3.5	7.0	-
Tay Homes	Tuesday	1.0	4.4	-
Tottenham Hotspur	Monday	-	4.0	-
Tyzack WA	Monday	0.6	1.4	-
Unigroup	Monday	-	1.1	-
Usher Frank	Wednesday	1.6	4.0	-
Wehmiller Berry	Monday	-	2.0	-

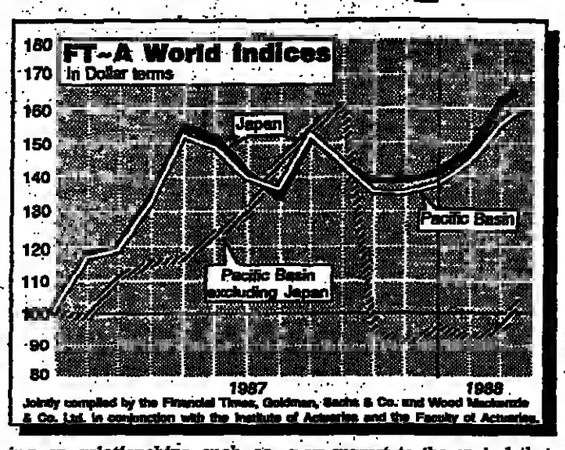
*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. ● first quarter figs

Calmer waters tempt investors back to Pacific

EUROPEAN AND American investors are returning to the stock markets of the Pacific. It remains to be seen whether this represents – like Samuel Johnson's description of a second marriage – the triumph of hope over experience.

Chastened by the collapse of share prices worldwide five months ago, however, the approach of foreign fund managers appears these days to be very different from their strategy prior to October 19. Instead of the Fifth Cavalry, they are sending over scouting parties.

There is no doubt that the last time around, with some exceptions, they got it horribly wrong.



Jointly compiled by the Financial Times, Goldman, Sachs & Co. and Wood Mackenzie & Co. Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

Pacific Basin

Heavily overcommitted to the smaller markets of South East Asia and Australasia, they were at the same time underinvested in Japan – now the world's largest market in terms of capitalisation.

"The long-term potential for south-east Asia is undoubted, but the smaller markets were heavily overpromoted last year and market expectations were just too high," says Mr Martin Shenfield, of Fidelity International, the London-based fund managers.

Western-style analysis, focussing on relationships such as those between share price and earnings which on the face of it were outrageously out of line with other big markets, scared them away from the Japanese market.

As it rallied to new highs through 1986 and 1987, and the yen rose on currency markets, foreign investors continued to sell Japanese shares. After October their shift out of Tokyo turned into a stampede, and by December only 2 to 3 per cent of the market was held by foreigners.

Since when, the foreigners have started to come back, which may suggest to the cynical that the Tokyo market's extraordinary performance – the Nikkei index topped 26,000 yesterday for the first time since October 16 – is at an end. Indeed, there are signs that, in the short run at least, the Tokyo market's rally may have been overdone. Certainly, it seems that the authorities, including Bank of Japan governor Satoshi Sumita, think it has moved ahead too fast.

Yet, many fund managers believe that Japan offers comfort to foreign investors in the medium to long-term that other Pacific markets cannot match. Indeed, this view is dictating their new strategy.

Investors will not quickly forget that many Pacific markets became almost untradeable during the crash, and that one – Hong Kong – actually closed. The mirage of liquidity in these markets thus disappeared and the disadvantages of poor or under-regulation was made apparent to investors. Only "overvalued and over-regulated" Tokyo provided both liquidity and, relatively speaking, stability.

Before October, the illusion of liquidity encouraged many foreign institutional investors to switch huge blocks of shares from one market to another, often "buying the market."

These days, says Mr Shenfield, "Disciplined stock picking is now much more essential than aggressive market switching." Many of those post-crash scouting parties moving back into the Pacific are thus more likely to follow different rules:

- Don't buy the market and forget the indices. Instead, pick stocks and look for value.
- Be aware of the liquidity illusion. While smaller Asian markets can provide value – many fund managers still like the Thai market for example – once in, it may be difficult to get out.
- Give Japan its due. Underweighting in Japan has consistently meant that most international funds have underperformed compared with world market indices.

FT-ACTUARIES WORLD INDICES

Country	£ Sterling % change from Jan.4th 1988	£ Sterling % change since Jan.2nd 1987
Australia	+13.1	-3.6
Austria	-6.0	-36.5
Belgium	+34.2	+3.2
Canada	+9.7	-1.0
Denmark	+6.2	-3.3
France	+1.8	-30.2
W Germany	+11.8	-34.4
Hong Kong	+17.4	-17.1
Ireland	+17.3	-2.3
Italy	+6.9	-35.1
Japan	+22.1	+33.6
Malaysia	+10.4	-1.5
Mexico	+40.3	+19.0
Netherlands	+11.0	-13.2
New Zealand	+4.4	-36.7
Norway	+15.6	-6.3
Singapore	+18.0	-8.1
S Africa	+4.1	+11.1
Spain	+14.0	+14.8
Sweden	+24.7	-4.3
Switzerland	+7.5	-30.8
UK	+5.2	+12.0
USA	+6.7	-11.7

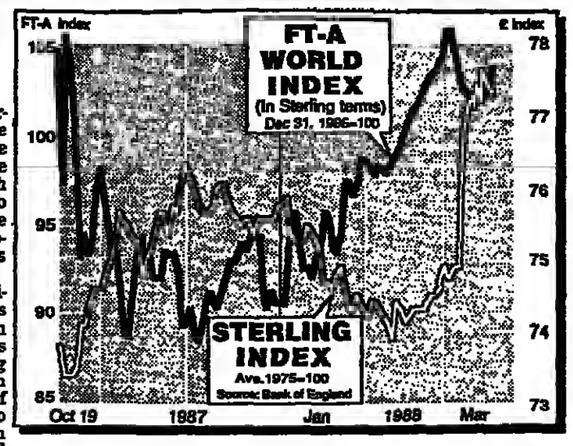
The Japanese economy, having adjusted to the stranglehold of the soaring yen, has been in boom since the middle of last year. According to figures released last week, it grew at an annual 7 per cent rate in the last quarter of 1987.

Led by domestic demand, this expansion is providing the opportunity for a restructuring of the Japanese economy. Attempts are beginning to spread some of the benefits of the country's growth to regions outside Tokyo, to allow the Japanese to enjoy more leisure, and to ensure that corporate and institutional wealth is shared by individuals.

This shift provides opportunities for new companies, and has indeed in recent months been accompanied by a new listings surge. Foreign investors moving into the market so far have been concentrating on the shares of smaller companies in the Tokyo market's second section, often ignoring the previously favoured blue-chip and big capitalisation issues.

These companies, say fund managers, offer both price-to-earnings ratios with which a westerner can be more comfortable, and the prospect of continued growth, even in the face of rising interest rates and a fall in the Nikkei index.

Mr Alex Dundas of GT Management believes too that the Japanese market still offers value, citing "stimulative monetary and fiscal policy, a growing economy and rising corporate profitability and a pro-business government." Forget, he says, price-to-earnings ratios – the subject hardly crosses the minds of the Japanese, who now, after all, control more than 97 per cent of the market.



With the prospect of earnings growth of 13 to 15 per cent this year – growth in manufacturing earnings could be 20 per cent – Japan also offers some decoupling from the US economy and from Wall Street. While Tokyo could not insulate itself entirely from a collapse in US stock market confidence, it will not catch a cold if New York sneezes.

Not so the rest of Asia and Australasia. It is true that exports to Japan from the rest of Asia have been growing sharply over the last year, but this growth is from a very low base.

So, like it or not, the Asian and Australasian economies are still highly dependent on the United States, their markets often slavishly following sentiment in New York. As a result, all eyes these days are fixed on the US consumer, and there does not seem much room for comfort.

On the one hand, a consumer spending surge would inevitably suck in more imports to the US, widen the trade deficit and threaten a collapse in confidence such as last October's. On the other, a gradual slowdown in spending offers little solace for Asia, and particularly the newly-industrialised countries.

All of this underlines the differences between Tokyo and the other markets of the Pacific basin. "The Tokyo market is as far away from the other Asian markets as it is from London or New York," says Mr Dundas.

Stephen Fidler

A suitable case for treatment

IF EVIDENCE were needed of the uncertainty in US financial markets, last week provided it. Though much of the market and most economists are pretty sure that the US trading performance has turned decisively for the better, nobody was willing to take a large bet on it last week.

Professional investors who interest themselves in such things as trade balances, economic growth and price stability did nothing until Thursday, when the trade report for January was published. For the first three days of the week, turnover in stocks was low, only just exceeding 150m shares on Wednesday.

In the absence of conventional investors, the market fell prey to the programme traders, who dickered between the stock market and the futures market in preparation for the expiration of various derivative contracts yesterday in the so-called "triple witching hour." Their purchases of stocks late on Wednesday caused a 20-point jump in the Dow Jones Industrial Average in 30 minutes, but this roller-coaster move - like the 48-point drop two

Wall Street

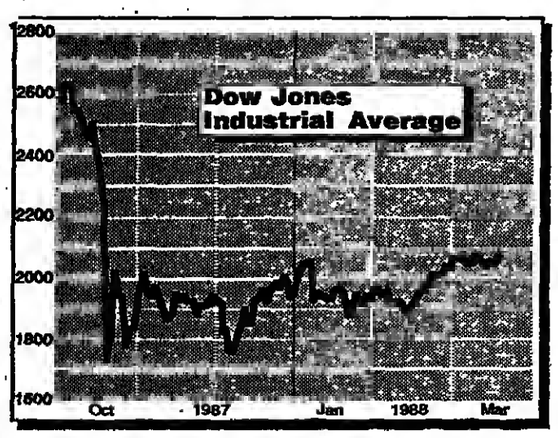
Thursdays ago - merely reinforced conventional investors in their timidity.

On Thursday, the trade report appeared and the general investors went back into the market in force. It was not that the trade figures were particularly good: the deficit actually widened a little, to $12.44bn. Exports came down. But that may have been just a seasonal feature, and imports were also down a handy 6 per cent. January was also the third month in a row without deterioration. Most important, the whole trade issue will be out of the way for a month.

Trading volume on Thursday jumped to 212m shares and the Dow hauled itself up 21.72 points, to 2066.04, the highest level since the market crashed in October. The Dow has been around this level before, at the end of February and on March 8. Both times it slipped back as institutional investors seized the opportunity to reduce their holdings of the big-capitalisation stocks in the index. Though the market has spent two months above the 2,000 level on the Dow and seems to be comfortable there, it is having inordinate difficulty proceeding to 2,100, let alone the 2,200 which was its last perch before the crash on October 19.

One obvious problem is that the market looks so unhealthy. The running stocks are not the high-quality, relatively predictable companies of the Dow, but second-line issues, speculative stocks and takeover and restructuring "stories." In Wall Street language, the market has a leadership problem. So far this year, the Dow Industrials have put on 7.59 per cent. In contrast, the index of the American Stock Exchange, where capitalisations are lower, has risen 14.84 per cent, while the over-the-counter stocks in the Nasdaq market have risen 15.20 per cent.

Put another way, IBM, the biggest capitalisation stock in the market, is trading at a third below its level on August 25 last year, when the Dow was at 2,722. But a whole host of smaller companies are actually above the August 25 level. Among these are



some genuine industrial recoveries, such as Bethlehem Steel and Deere, which have restructured their operations and look poised to reap big rewards out of a devalued dollar. But the majority are stocks whose price has soared to recognise the premium a buyer will pay in a takeover. These stocks included Alberto-Culver, Loctite and Hilton Hotels.

The two most successful stock market sectors have been those which are being reshaped by takeover: textiles, where there has been an auction for J. P. Stevens, and tyres, where Firestone has been on the bid block. Both sectors have outpaced the broad market by over 25 per cent this year.

Wall Street investment bankers say the takeover business is generating the work and fees they thought went out last summer. The chief difference is that the current takeover boom is largely being generated by foreign industrial companies, seeking to buy US market share with strong currencies. This stimulates large US companies to intervene to protect their markets, or the companies themselves go private in a leveraged buy-out. The result: rising stock prices.

Bids by Campeau of Canada for Federated Department Stores and Beazer of the UK for Koppers have both flushed out counter-offers. Also last week, the market convinced itself that Nestle of Switzerland would buy Pillsbury - at least until Nestle bought Buitoni of Italy on Friday. But Wall Street's wildest dream came true in the battle for Firestone, where two foreign companies, Bridgestone of Japan and Pirelli of Italy, proved so keen to break into the US tyre market that they were ready to slug it out.

Unfortunately, a market that is sustained by the quick fix of takeovers needs ever more and bigger doses to satisfy it. If the Dow is to proceed to its pre-crash levels, it will need more healthy sustenance, such as an improvement in earnings or a fall in interest rates. Conversely, any signs that the export boom is capering off could reveal the market's weak underpinnings.

Monday	2050.07	+ 15.09
Tuesday	2047.41	– 02.66
Wednesday	2064.32	+ 16.91
Thursday	2066.04	+ 21.72

James Buchan

John Plender explains why the stock market's response to the Budget this week was rather grudging

Lawson makes the well-off better off

WHATEVER else may be said about Mr Nigel Lawson's Budget, boring it was not. In one fell swoop the Chancellor has instituted the lowest top marginal rate of income tax in the leading developed countries.

He has announced £1bn more in tax cuts than the City expected, while forecasting a Public Sector Debt Repayment (PSDR) – a positive version of the old Public Sector Borrowing Requirement – of £3bn both this year and next.

He has enraged the Labour opposition, whose chief economic spokesman Mr John Smith called the Budget immoral, wrong, foolish, divisive and corrupting. And he has started a debate that will run and run on how far the supposed incentive effects of a top 40 per cent tax rate will help, if at all, to pay for the immediate £2bn loss of revenue to the Treasury.

On one thing even the politicians are all agreed: in neutral terminology, the well off have emerged better off from the whole proceeding. And given the apparent soundness of the government's public finances – in marked contrast to those in the United States, which has embraced tax cuts with similar enthusiasm – the stock market's response was remarkably grudging. All the more so given that some City analysts are arguing that the PSDR will be nearer £6bn in 1988-89 than the Treasury's £3bn estimate.

Part of the explanation for the lukewarm reception lies in the current preoccupation with overheating. The more gloomy commentators fear that tax cuts will fuel consumer spending and worsen the deficit on the current account of the balance of payments, as the British economy continues to grow faster than the rest of the world. Having adopted a looser fiscal stance than expected, the Chancellor was perceived in the gilt-edged market to be more dependent on exchange rate and monetary policy to control inflation; this appeared to indicate less scope for a fall in interest rates than some had hoped. But Mr Lawson, still determined not to bore, promptly engineered a half point cut in base rates on Thursday.

The official justification was that monetary conditions had been over-tightened through sterling's recent appreciation against the D-mark - a point that serves to underline the more bullish arguments for the British market. For there are plenty of international investors who feel that no other politically stable country offers rapid growth, stable inflation, prudent budget numbers and high real rates of interest.

Additional tax cuts of £1bn are inconsequential, runs the argument, when everyone knows that the government's statistics on consumer incomes and saving – huge numbers in relation to the PSDR – are little better than educated guesswork. As for the balance of payments, the latest official estimate for the current account deficit is £1½bn. Since the average error on previous forecasts is a fat £3bn, those commentators who claim that the 1987 deficit was probably non-existent might just be onto something.

In reality this was not a Budget with a big message for the overall level of equities. Far more important for the stock market are the wider issues that have preoccupied investors since last October's crash – notably the unwieldy imbalances that encumber the world's trading and financial systems. Thursday's US trade figures may have been at the less dismal end of expectations, but they still point to a current account deficit running at an annual rate of $160bn or more.

The wider question concerns the ability of the United States to emerge from these problems without resort to unacceptably high inflation or to recession in 1989, and the ability of the rest of the world to cope with the consequences.

For investors, the real excitement in the Budget lay in the capital gains tax changes, which offered some pain, but more pleasure. While the rate of capital gains tax has gone up from 30 to 40 per cent and the exemption limit has been slightly reduced, the liability on all gains incurred before 1982 has now been wiped away.

So, irony of ironies, the greybeards who hung onto the gains from the bull market presided over by Denis Healey, the former Labour Chancellor who threatened to squeeze the rich till the pips squeaked, will have been treated more kindly than the yuppies who profited in Lawson's bull market.

At the same time the Chancellor has eroded an important part of the conventional wisdom of post-war portfolio management by deciding to tax capital gains at the same level as the top rate of income tax. For the investor who expects to realise gains of more than £5,000 in any given year, the tax attractions of low yielding growth stocks, as against high yielding shares, is much reduced – although any return to double digit inflation would shift the balance back again because capital gains tax is index-linked, while tax on dividends and interest is not. The attraction of gilts – though not the low coupons – is also enhanced.

But we are still a long way from fiscal neutrality. Indeed, one striking feature of a budget that has been dubbed reformist, is that it opts for so many halfway houses. While the treatment of capital and income from investment has been simplified, allowances for pensions, Personal Equity Plans and the Business Expansion Scheme remain. Under the proposals for married couples, spouses will still not be fully independent because husbands will sometimes be allowed to transfer allowances to their wives. Mortgage relief survives, though it now carries an incentive to tie the nuptial knot. And the top marginal income tax rate of 40 per cent is not universal: those in the poverty trap at the bottom end of the scale face marginal rates of up to 90 per cent following the withdrawal of means tested benefits.

Tax cuts are not synonymous with tax reform. But after a budget that is rumoured to be Mr Lawson's last, the distinction is not one that will worry the rich.

MAIN TAX CHANGES

INCOME TAX basic rate cut 2p to 25p in the pound, worth £5 per week to married man on average earnings. Upper limit for basic rate income tax increased to £19,300. One higher rate, of 40p in the pound.

Single person's allowance up by £180 to £2,605. Married allowance up by £300 to £4,095. Additional personal allowance and widows' bereavement allowance up by £120 to £1,490. Single age allowance up by £220 to £3,180. Married age allowance up by £360 to £5,035. For taxpayers aged 80 and over, there will be increased in allowance of £240 and £360 to £3,310 and £5,205. Increases in allowances are double the 3.7 per cent rise in the retail price index. Housekeeper allowance, dependent relative allowance and son's or daughter's service allowance all abolished. These changes will be seen in first pay packet after June 14.

MARRIED COUPLES: Husband and wife to be taxed independently on all income from April 1990, so that all taxpayers will be entitled to same personal allowance. Married couple's allowance will be equal to difference under the present system between married man's allowance and single allowance.

CAPITAL GAINS TAX: To eliminate taxation of inflationary gains, any gains before March 31, 1982 will be exempt with a new base date to be *applied to disposals made* from April 6, 1988. Threshold reduced from £6,600 to £5,000 for individuals and from £3,300 to £2,500 for most trusts. Gains to be taxed at marginal income tax rates - 25 per cent or 40 per cent.

INHERITANCE TAX: Present four rates replaced by flat rate of 40 per cent. Threshold rises from £90,000 to £110,000.

COVENANTS: No tax and no tax relief on new non-charity covenants. Tax benefits of covenants to charity unchanged. Annual limit on tax allowable donations on payroll-giving scheme doubled to £240 a year. Covenants already made for student will continue to have tax relief.

MAINTENANCE PAYMENTS: Tax-free for recipients under new court orders. Tax relief on payments to be restricted. Transitional arrangments for existing orders and agreements.

MORTGAGE INTEREST RELIEF: from August, the £30,000 limit will apply to the property regardless of the number of borrowers. Tax relief for home improvement loans will be abolished from April 6. Existing loans will not be affected.

TAX ALLOWANCES: from April 1989, unmarried couples with children will be restricted to a single Additional Personal Allowance for single parents.

PERSONAL EQUITY PLAN limit increased from £2,400 to £3,000.

REDUNDANCY: Exemption limit for redundancy payments to rise from £25,000 to £30,000. Additional relief for larger amounts to be abolished.

SMALL BUSINESSES: VAT threshold will rise to £22,100. Capital gains tax retirment relief to be extended, so that on top of the total exemption, half of any gain between £125,000 and £500,000 will be tax-free.

BUSINESS EXPANSION SCHEME restricted to smaller companies with £500,000 limit a year and extended to companies *specialising* in *letting* residential property. Tax limit for this type of investment will be £5m a year for any one company.

FORESTRY: Expenditure on commercial woodlands no longer allowed as deduction for income tax and corporation tax.

COMPANY CAR TAX scales doubled for 1988-89, replacing a 10 per cent increase previously proposed. Free car parking benefit will be tax-exempt, however. No change in car fuel scale charges.

Boost for higher priced homes

THE THING that really worries me is that you can't find even a bad one-bedroom flat in London now for the price that a first-time buyer can afford. Its so divisive." As a businessman, Garry Hersham, of Beauchamps Estates, was delighted with the Budget. Operating at the top of the market, he is convinced that the capital and income tax changes will release more property for development and encourage buyers.

But as an agent in London he is also conscious that the bottom price rungs are being pulled out of reach of prospective home owners. And the August 1 deadline for the end to multiple tax relief on pooled mortgages can only make matters worse.

Hersham summarises the consensus reaction to the budget in the residential market. "The market for higher price properties has been semi-stagnant since November, and now I think that people will be very much happier to go into the market."

At the same time the change in Capital Gains Tax rules, bringing the valuation base date up from 1965 to 1982, "will bring a lot more properties onto the market for development. There is a lot of unmodernised stock that has been held off because of a tax liability of millions if it had been sold under the old rules."

Peter Farrar, of Farrar, Stead & Glyn, echoes the point. He is expecting a mass of valuation work as owners find out what the basis for a capital gains tax change based on a 1982 base date would be.

Charlotte Farquharson, of FS & G, confirms the view that there will be a race to completions, with "a flood of couples trying to beat the August deadline."

Hamptons have no doubt that the tax cuts will translate into "an uplift in prices within the upper and middle price ranges." And Knight Frank & Rutley are expecting more buyers.

Sturgis also feel that, after a temporary increase in the number of joint owners buying, "particularly in the £70,000 – £90,000 price range. . .in general we feel that it will bring liquidity into a market where prices are already reaching a peak, rather than create new levels."

Out of London, Brian Spears, regional residential manager for GA Property services in Plymouth, does not expect any queues of unmarried couples trying to buy before August. "I don't think it will have a major effect."

Savills' note the likelihood that the increased threshold of inheritance tax to £110,000, with a flat rate 40 per cent tax rate, "will provide a further increase in inherited wealth and boost the level of home ownership generally."

And the agents doubt if the 10 per cent increase in CGT to 40 per cent will dampen demand for residential development land in the south east.

In practical terms, unmarried joint home owners might well find that the pre-August rush for properties raises prices more than the savings that can be made by completing ahead of that deadline.

It is only the multiple tax relief, not the option to raise multiple-financed home loans, that will cease for new loans after August 1.

In view of the forecast of £34bn of home loans available this year, and the likelihood that tax cuts for higher earners will increase savings, there should be no shortage of competitively-priced finance after that date.

For an unmarried couple, each borrowing the maximum £30,000 tax deductable mortgage, foregoing one set of mortgage interest relief for standard rate taxpayers would cost £57 a month.

It is entirely possible that joint buyers who are not panicked into buying early will have a better choice of properties and will be able to save that much or more on the purchase price if the expected sales lull after August does materialise.

Existing owners with mortgages of less than the £30,000 limit have until midnight on April 5 to get extra advances for home improvements agreed if they want to catch the last few days of mortgage interest relief on that money.

But here again the probability is that the extra cost of finding a builder in the rush to get work completed within the six-month qualifying period for loans agreed before April 5 will offset much of the benefits of the relief.

Even after April, owners with loans under the £30,000 tax threshold will still have the option to release equity by remortgaging.

It remains to be seen whether the extension of the Business Expansion Scheme tax concessions to residential letting companies will have any long-term impact on the supply of rented accommodation.

The five-year rules for BES investments could attract private investment consortia developing or refurbishing with an eye to eventual resale to owner occupiers. But the £125,000 limit on the value of qualifying properties in London, and the requirement that BES companies offer assured tenancies, keeps these up to £5m a time unquoted companies out of the corporate rentals market.

An £85,000 valuation limit out of Greater London offers more scope to provide commercially viable lettings, although the cuts in higher rates of tax do reduce the appeal of these vehicles as tax shelters. David Gilchrist, general manager (planning) of the Halifax Building Society, thinks that private investment drawn into these new BES companies could pump/prime the purchase and refurbishment of council properties and help in the progressive privatisation of public sector rental property.

John Brennan

Tax changes in the long term

THE SWEEPING changes to income and capital gains taxes announced in Tuesday's Budget will obviously have significant long-term effects on equity and unit portfolios.

Higher rates of income tax may have been dramatically reduced, but many investors are facing a rise in capital gains tax from 30 to 40 per cent, resulting from the integration of capital and income tax rates.

"For the comparatively wealthy man who has been doing well with an investment portfolio, that's a significant increase" says Paddy Linaker of the fund management group M & G. In addition, the threshold for the tax has been reduced from £6,600 to £5,000. An investor with a portfolio of over £100,000 would be pretty disappointed if he or she failed to gain more than £5,000 in the fiscal year.

Some investors will benefit from the removal from liability of capital gains made before 1982. But equity and unit prices have increased dramatically in real terms since that date.

The FT-A All-Share Index rose around threefold between 1965 and 1982 and has recorded a further threefold increase since then. So someone who had invested £100,000 in the index in 1965 would have increased that to £300,000 by 1982 and to £900,000 by today.

Their capital gain between 1965 and 1988 would thus have been £800,000; after allowing for the £5,000 exemption and post-1982 indexation, that would have resulted in a tax liability at the old 30 per cent rate of around £184,500.

Under the new system, the £200,000 gain between 1965 and 1982 will be ignored but the subsequent £600,000 gain will be taxed at 40 per cent. Again, after allowing for exemptions that translates to a capital gains tax liability of around £166,000, little less than under the old system.

The tax position will vary from equity to equity but for many investors, the temptation to sit on their gains will be as strong as ever. That will surely prevent the *dramatic shift from capital* growth to high income securities which many have predicted.

To reinforce the point, investors with portfolios of, say, less than £20,000 will not be that interested in income. They will only have invested in unit trusts or equities in the hope of capital growth; if they had wanted income, they would probably have opted for the security of a building society deposit.

Nor will such investors be affected by change in capital gains tax. An annual profit of over £5,000 on a portfolio of under £20,000 would be good work indeed.

There may be a strong case, based on the economic outlook, for opting for high yielding equities or units. Many investors have already shifted in the wake of the crash. But that is a separate argument from the tax position.

In the long term, wealthier investors will probably move to a portfolio that is more balanced between income and capital growth. But given the lock-in effect of the higher capital gains tax, they are more likely to achieve the change by putting new funds into income stocks.

If anyone looks likely to benefit unequivocally from the Budget, it is unit trusts. They do not pay capital gains tax; they received a minor boost from the abolition of instrument duty; and most important of all, the cuts in income tax will surely lead to more savings and thus more unit purchases.

For an industry worried about the effect of the change to forward pricing and the impact of a bear market on management fees, Mr Lawson's largesse will have been especially welcome.

Philip Coggan

The glitter of gilts

INVESTORS IN gilt-edged securities got an unexpected bonus in Tuesday's Budget. The changes to capital gains tax mean that gilts, for the small investor, are now more attractive than ever before.

This is not to say that investment in shares for high-rate tax payers ought to be discouraged, but a more careful approach is recommended. A share's dividend yield now becomes more important than it has been in recent years.

For the risk-averse investor, however, some stock-brokers specialising in gilts believe that British government bonds provide a competitive alternative to shares. This is because income, relative to capital gain, becomes more important after April 6 when the new tax measures take effect.

Since the 1970s, the personal sector's holding of gilts as a percentage of its total holdings of financial assets has fallen from around 25 per cent to about 10. Shares have been the major beneficiary of this shift, but Tuesday's changes to CGT could mark a reversal of the trend, some analysts believe.

Put simply, if you are a high-rate taxpayer, taxes on capital gains will rise from 30 per cent to 40 per cent. At the same time, your tax-free capital gains allowance will fall from £6,600 to £5,000.

The tax on income, however, will fall from as high as 60 per cent to 40. Moreover, capital gains made from the sale of gilts have not, since July 1986, attracted CGT.

As can be seen from the table, provided by Glenn Davies of CL-Alexanders Laing & Cruickshank, the tax payable on the income from a gilt-edged security with only one year to redemption falls from £2.17 to £1.45 for every £100 of stock owned. The net return to the investor also rises, from 5.35 per cent to 6.7.

For an equivalent investment in Marks & Spencer and British Petroleum, the taxes are much higher – but so are the returns.

An important thing to notice is that the changes to the tax code mean that shares which have a higher dividend yield – that is, dividends expressed as a percentage of the prevailing share price – can be more advantageous investments than those with a lower yield.

The after-tax return on BP rises from 8.68 per cent to 9.13 per cent compared with Marks & Spencer, which had a net return of 9.61 per cent before the budget, and an implied post- Budget net return of 9.18 per cent.

Davies points out: "Equities are a much riskier investment. Our example depends crucially on the rate of return assumed and we have assumed 15 per cent. Also, some companies may not declare a dividend whereas, with gilts, your rate of return is known from the start because dividends are guaranteed."

He says that a 40 per cent taxpayer can buy gilts with coupon rates of interest up to 8 per cent without much variation in the after-tax return, while a 25 per cent taxpayer should look for gilts with the highest coupon rates of interest.

Simon Holberton

Expected Gilt Return *

For high rate tax payer on £100 invested			Before Budget	After Budget
3% Treasury 1989		Tax	£2.17	£1.45
Gross Redemption Yield	6.4%			
		Net Return	5.35%	6.07%
Expected Equity Return				
Marks & Spencer		Tax	£5.39	£5.82
Dividend Yield	3.4%			
		Net Return	9.61%	9.16%
British Petroleum		Tax	£6.32	£5.87
Dividend Yield	6.4%	Net Return	8.68%	9.13%

* It is assumed that investment is made for one year. Return on equities assumed to be 15% and inflation at 4%. Tax payer at higher rates all capital gains exempt amount already used up. No allowance made for re-investment of coupons or dividend.

Source: CL-Alexander Laing & Cruickshank

THE BUDGET AND YOU

£500,000 limit rocks BES

SO, FAREWELL then BES as we knew it. Nigel Lawson's axe has fallen, although he has since softened the blow slightly.

In Tuasday's Bndget, he announced a limit of £500,000 on the amount a company could raise in any one financial year. This took effect from midnight that day, the only exceptions being ship-chartering and the newly-qualifying area of residential property-letting. The result was a flood of applications to beat the deadline, with sponsor Johnson Fry taking £600,000 by midnight.

The £500,000 limit will alter the nature of BES investment dramatically, ending the domination of the scheme by large prospectus issues for single companies.

It will also change the role of the sponsors considerably. It makes little sense to sponsor a £500,000 issue for a 5 per cent fee. Nor, for that matter, will any company that small find the costs justifiable. Indeed, the Government is trying to adjust the previous biaa of tha scheme, which was in favour of large companies, towards smaller companies.

The £500,000 limit cama as more of a shock to the BES world than the decision to cut top tax rates, which will also reduce the attractions of the BES to investors. The gearing effect of the tax relief available has mada the scheme most attractive to the highest taxpayers. Post-Budget, however, investors may reflect that a lower tax break is better than none at all.

The new limit, and the introduction of residential property-letting into the scheme, will have a dramatic effect on the type of investments available. The initial reaction from independent advisers was hostile. "The limit is much too low," said Steven Rowe of BES Investment Research on Tuesday. "It will take a lot of money into the residential property market which would otherwise have gone into genuine businesses."

By Wednesday, Rowe obviously was feeling better. "We welcome the changes that the Chancellor has sought . . .the direction the BES has been taking has been getting further and further away from the original concept," he said in a press release.

Meantime, there was an outcry from companies which were in the process of raising more than £500,000 - and had already paid for the issue. Indeed, the total sum sought might well have been as much as £50m. This prompted a modification of the scheme late on Thursday evening. Providing companies had launched their prospectuses before Budget day and issued the shares before the end of the tax year, there will be a higher limit of £1m.

But the Budget changes will still hit many of the larger companies, which have in the past raised as much as £20m or £30m under the scheme. The likelihood is some will be looking to the third market instead.

Sponsors are looking at the possibility of raising, say, £5m on the third market and £500,000 under the BES for the same company. However, this could lead to problems with differing classes of shares and varying levels of marketability.

Sponsors have lost no time in adapting to the new legislation. Capital Ventures has launched an approved fund, the CAVE fund, in which investors will qualify for np to to 60 per cent relief even though the fund will have six months in which to invest in companies below £500,000. Only one BES certificate will be needed for the fund to claim exemption, rather like a unit trust.

Johnson Fry will use its recently-launched FANTOM fund for the basis of a £5m shipping issue, while incorporating a series of issues below £500,000 in the new tax year. Charles Fry already has spotted potential for assured tenancy issues. "The problem is, there will be too many people trying to get on the bandwagon," he warns. He took 15 calls from prospective ventures on Wednesday morning.

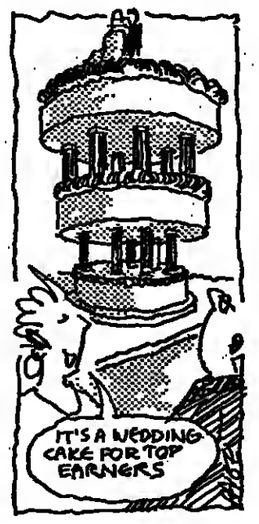
The funds will have a field day. "They will enjoy a huge resurgence of popularity," says John Spiers of BES Investment, "They found it difficult to compete with the sponsors and have not had a very good performance record." Investors hava, understandably, preferred prospectus issues with a better track record, partly because the companies were bigger and less risky.

A word of warning about funds. Many have been tardy in communicating with shareholders and performance data is scarce. Investors should research carefully before jumping in, particularly as many companies which will be bought in the next year will be residential tenancies. As Spiers says: "That's rather out of character with the original spirit of the BES."

Heather Farmbrough

Younger investors lose out

Kevin Goldstein-Jackson finds that those showing enterprise won't inherit the earth



MY WIFE'S first reaction to the Budget was to think about buying a new Mercedes, on tha ground that Mercedes might have to cut its prices now that the increased tax on company cars will probably mean fewer sales. I am glad I do not have any shares in car firms – although car auctioneers should do well as people trade down to smaller cars or buy their own.

The news that married couples will be taxed separately on all income from 1990 is welcome and long overdue. This will certainly encourage my wife to buy more shares. The changes in capital gains tax are rather disappointing. The complicated indexation allowances for gains made after April 1982 still remain. The proposal to exempt from tax that part of the gain which accrued prior to 1982 seems rather unfair: not all the pre-1982 increases in value were due to inflation.

The change seems to discriminate against younger investors, particularly as capital gains will now be taxed at people's marginal tax rates and the exemption limit on capital gains has been reduced from £6,600 to £5,000.

This, together with the inheritance tax changes, means that people who have inherited shares, money and other assets, and have done nothing enterprising with them, will reap greater rewards than many of those who have created or helped to expand businesses and inherited nothing. For a Government that is meant to be promoting "enterprise and initiative," this is somewhat surprising.

Neil Kinnock's remark on the Budget – "Don't get mad, get even" – implies that, if there is a change of government, the people who have benefited from these Budget changes will be taxed at a punitive rate. I am, therefore, interested in buying shares in small, public-quoted companies which have large family shareholdings. Many of them will be ripe for takeover as members of the families rush to cash in their pre-1982 shareholdings as soon as they can, just in case their tax situation changes.

The increase in the PEP annual investment limit from £2,400 to £3,000 is useful and my wife and I will certainly be increasing our PEP investments.

The changes in the BES rules are interesting. I would certainly be attracted to a BES investing in private rented accommodation. To ensure that such schemes genuinely help to revive the private rented sector of housing, I hope that the Chancellor will see that there are reasonable limits on the individual values of the property acquired for such purposes; otherwise I can envisage BES companies simply acquiring properties in areas like Mayfair and renting them out at high rates, with investors making large gains on the increase in property values rather than the letting income.

The reduction to £500,000 as the amount that any company can raise for itself under a BES scheme in any one year means that even more good opportunities for the private investor will be restricted to those "in the know." Already, the private investor suffers, with many non-BES companies making private placings of shares with institutional investors and their wealthier private clients, rather than having a public offer.

Thus, although the Budget as a whole has much to recommend it, I hope that Nigel Lawson is still Chancellor next year so that he can introduce some radical proposals to encourage the ordinary, younger, private investor who has not inherited any wealth.

EXPATRIATES

Less to pay

THIS WEEK'S "radical, reforming" Budget contained a number of small print implications for British expatriates.

The good news concerns inheritance tax, to which non-residents are liable unless they succeed in the onerous task of changing their domicile. The introduction of a single inheritance tax rate of 40 per cent, coupled with a raising of the threshold to £110,000, means that, on an estate of £500,000, tha tax liability is reduced by £48,000 to £156,000.

The bad news for expatriates is the decision to scrap non-charity deeds of covenant. The traditional tax break associated with deeds of covenant was especially useful for expatriates who, unlike their UK resident counterparts, could covenant money to UK resident minor children as well as those over the age of 18, provided they had a source of income taxable in the UK.

David Young, the managing director of International Tax and Investment Planning, cites the case of a retired Royal Navy officer working for the Sultan of Oman's navy and receiving an RN pension of £4,000 a year. Someone in his position could covenant £2,000 net to each of two UK resident minor children in such a way that the children get the benefit of their father's pension tax-free.

An area to which expatriates planning to return to the UK should pay increased attention to is "bed and breakfasting" arrangements to shelter capital gains. Such planning has always been important for expatriates and is now even more vital, given tha Chancellor's proposal to apply capital gains tax at marginal income tax rates; that is, as high as 40 per cent instead of the previous flat 30 per cent rate.

Turning to the broader implications for expatriates, it might come as a surprise to learn that the UK is now positioned firmly among the lower tax league countries of the industrialised world. British expatriates working in areas of low or no tax, such as the Middle East, are probably better off staying put, even though the difference in their take-home pay will have been eroded.

However, for British expatriates working in some European countries, the benefits are now balanced finely. Leslie Livens, an international tax specialist et chartered accountant Moores & Rowland, says: "Some lower-paid expatriates must be in two minds as to whether to stay outside the UK."

Conversely, he forecasts that the UK is fast becoming what he calls an "expatriate Mecca" for nationals of other countries, particularly those of Scandinavia, where income tax rates remain high.

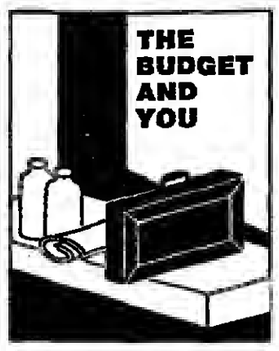
However, straightforward country comparisons of salary tell only half the story. According to research undertaken by P-E Inbucon, some expatriate fringe benefits put UK salary add-ons to shame.

Peter Gartland

● *Peter Gartland is editor of The International, the FT magazine for British expatriates.*

How to spread the wealth

Richards Waters finds some scope for dispute with the Revenue over realising capital gains



WITH THE Budget out of the way, the priorities for tax planning before the end of the tax year on April 5 are now clear.

The most important is likely to be whether to realise capital gains and losses in this tax year or the next. If an asset was acquired since March 31, 1982, the question is relatively easy to answer. Gains of more than £6,600 realised in this tax year are taxed at 30 per cent. Gains of more than £5,000 realised in the next will be taxed as income – in other words, 25 per cent for anyone with income of less than £19,300, and 40 per cent for others.

The first rule of capital gains tax is always to spread gains to use up the full allowance in each year. That means that gains of up to £6,600 should be realised now. After this, it is better for top-rate taxpayers to realise gains, if necessary by bed and breakfasting, before April 5 (at the lower rate of tax). For basic-rate taxpayers, the opposite applies.

The treatment of assets acquired before March 31, 1982, is less clear. All capital gains made before that date are tax-free from April 6 this year. This means that an asset where a large proportion of the gain accrued before 1982 should be held until a future tax year.

This raises a problem: what was the value of the asset on March 31, 1982? While the question is easy to answer for quoted securities, there is little external evidence of the value of a particular property or shares in private companies. The valuation question is a recipe for dispute with the Revenue - as it proved in 1965, when a similar exercise took place.

Any evidence that helps to prove a 1982 value, such as a private company's sccounts, or details of a share transfer at around that time, should be saved up. The Revenue will not agree a valuation until an asset is sold, so this evidence could might have to be stored up for several years before it is needed. But it could be well worth the effort.

"It's difficult to keep hindsight out of a valuation," warns Hugh Blakeway Wehb, a barrister with Deloitte Haskins & Sells. Later events which affect the value of a private company, for instance, often get tangled np with the valuation at a given date.

The Budget might have thrown up one CGT loophole. Trustees pay CGT at 25 per cent, suggesting that top-rate taxpayers can reduce the impact of the tax through the careful use of trusts. But the actual scope for such planning will not be known until the details of the Finance Bill are revealed.

The second planning consideration concerns income tax. With tax rates falling, income should be deferred until the next tax year wherever possible, while tax-allowable expenses should be brought forward.

For individuals, tax-efficient investment is the most obvious way of reducing this year's tax bill. Investments in woodlands, Business Expansion Schemes and industrial buildings in enterprise zones all attract relief at the top rate of tax. The woodlands option disappears alogether next year: while the lower top rate of tax makes the other schemes look decidedly less attractive.

Take a BES investment. In future, a £40,000 investment (the maximum in one year) effectively will cost a taxpayer £24,000 while the Revenue contributes the other £16,000. This is exactly the opposite under the present 60 per cent top tax rate. Paying 50 per cent more net is likely to turn many investors off what is acknowledged to be a risky investment medium.

The other tax-reducing investment is a contribution to a pension scheme. Broadly, contributions are tax-free if they do not exceed 17.5 per cent of earnings (for the self-employed) or 15 per cent (for the employed). People who do not invest as much as this (and few do) should consider making an additional voluntary contribution before the end of the tax year. As with the BES, for every £10 of net income put into a scheme by a top-rate taxpayer, the Revenue contributes £15. Next year, the Revenue's contribution will be just £6.66.

Partnerships and the self-employed have more options open to them to incur costs which reduce their tax bill. Tax-deductible business expenses should be brought into the present tax year where possible.

The other side of the coin, deferring income until after April 5, is more difficult. Again, businesses have more ecope, for instance by dalaying issuing invoices. This, though, is getting rather close to tax evasion and is likely to get short shrift from the tax inspector.

More properly, a private company could delay making a discretionary honus, or put off declaring the payment of e dividend, until after April 5. The tax treatment of the dividend payment depends on the company's accounting year-end. professional advice should be sought on this subject.

● Employees hoping to get a cash refund of their pension contributions by changing jobs may lose the right after April 5. At present, people with up to five years in a job can take a refund when they leave (although some companies' pension schemes are already more restrictive than this legal maximum). The maximum is to be changed to two years. Employees with more service than this will have to take a frozen pension or transfer to a personal pension scheme.

This might seem a weak excuse for changing jobs before April 5; but some women who work part-time, and have banked on their husbands' pension entitlements to keep them going in retirement, may feel it is worth moving now

THE BUDGET AND YOU

William Cochrane analyses tax changes to maintenance payments

The taxman rends asunder

SOME OF the rich are going to get soaked, according to Mr Lawson. He said in his Budget speech that his new maintenance arrangements for people going through separation and divorce will reduce the tax relief which can be obtained by the better-off who are now paying large amounts of maintenance, while not affecting most.

In fact, divorced couples where the payment is low and the recipient has another income will actually benefit from the changes. The only question will be how they agree to share the tax benefit between them.

Different rules will apply to existing maintenance arrangements, and those made after Budget day. "Existing arrangements" are:

- court orders made before March 15 1988, or applied for before that day and made by June 30 1988 (a gentle nudge to a lawyer to speed up these orders may be called for);
- maintenance agreements made before March 15 (provided that a copy of the agreement has been received by the Inspector of Taxes by June 30, 1988); and
- court orders or agreements made on or after Budget Day which vary or replace such orders or agreements.

The recipients of these payments, who currently pay tax on them, have been given an unexpected windfall: the first £1,490 a year will be exempt from tax from 1988-9 onwards (this does not affect their right to a single person's allowance of £2,605).

The payers, though, will find their tax relief eroded in the years ahead. In 1988-9, they will continue to get full tax relief: but in later years, they will only get relief on the amount they paid in 1988-9. This means that as payments rise, the proportion that qualifies for tax relief falls.

Anyone receiving maintenance under post-Budget arrangements, meanwhile, will not pay any tax on the payments. The payer will get tax relief up to a limit of £1,490 for 1988-89. The Treasury says that, on present experience, this limit will more than cover the majority of payments to ex-wives and ex-husbands.

What the Chancellor, the Treasury and the Inland Revenue do not seem to take into consideration is that, in middle income family divorces, much higher living expenses will now have to be sliced from a cake which, initially, seems to get smaller and smaller. The payer of maintenance supports not only the same number of people, but also a second home. Perhaps divorced parents have been coddled until now, though few of them are likely to admit it.

The big decision for people already making maintenance payments will be whether, and when, to opt into the new tax regime (something they are allowed to do under the new rules). This is because of the declining tax benefit on payments which rise in future years.

Also, it is likely that the £1,490 tax-free allowance will be increased in line with other personal allowances. Sooner or later, if the payer opts into the new system (taking the recipient out of tax), the joint tax position of the couple will be improved. That raises an interesting question: the payer has the option, but the recipient gets the direct tax relief. How do they share the benefit? It sounds like a recipe for divorce, if they weren't already.

For those who come later, the after-tax effects of maintenance payments will be very different from those under the present system. It would be as well to bear this in mind when negotiating divorce settlements: to adher to the sort of before-tax maintenance payments currently being made could leave payers far worse off, at the expense of the recipients. This is also a consideration that the courts will need to consider, though no doubt they already take tax effects into account when fixing a level of payment.

- Other maintenance agreements made after Budget Day 1988, including payments to children, will not quality for relief.

Until now unmarried, divorced and separated parents have been able to reduce their liability in tax by making maintenance payments under a court order directly to their children. The parent has had tax relief on the payments, while the children have set their personal allowances (of up to £208 per child per calendar month) against the income; so the children paid either no tax or, if the payment exceeded their allowances, paid tax only at the basic rate.

The Inland Revenue argues that married couples cannot reduce their tax liability in this way: that payments which they make to their children, living with them, remain the parents' income for tax purposes. This, says the Revenue, means that the parents do not get tax relief on the payments and that the children are not taxed on the money which they receive.

PEPped

PERSONAL EQUITY Plans (PEPs) received a mild boost in the Budget, with the maximum one can invest being raised from £2,400 to £3,000 a year. The amount which can be allocated to a unit or investment trust is raised from £420 to £540, or 25 per cent (up to £750) of the total investment. The changes apply immediately, so you can "top up" any PEP plan already taken out this year.

The change in capital gains tax, with a higher top rate and a lower exemption level, will make PEPs additionally attractive to the wealthier investor. In contrast the cut in income tax rates will make PEPs less appealing if you make capital gains of below £5,000.

Leading PEP plan managers gave the increase a lukewarm welcome. Derek Booker, of Lloyds Bank, which sold by far the highest number of PEPs in 1987, said the rise in the maximum permitted investment would do nothing to broaden the appeal of PEPs to the "man in the street."

Ian Lindsey, of Save & Prosper, said that the Budget proposal appeared to run completely contrary to the Chancellor's ambition to create a mass market for PEPs. Standard rate taxpayers would benefit less from the tax-free concessions, while the wealthier would "do a damn sight better."

John Edwards

Plan to ensure years of wedded bliss

"TAX PLANNING for husbands and wives is back with a vengeance," says Mr Roger White, head of tax at Peat Marwick McLintock, the UK'e largest accountancy firm. He might have added: but not till 1990.

Two new rules will prompt the need for careful planning in the future. The first will tax married women separately on their investment income for the first time, while giving them their own single person's allowance against all income (£2,605 in 1988/9).

The second will allow husbands and wives a £5,000 allowance each against capital gains tax, instead of the present £6,600 between them. Any gains over the allowance will be taxed as income (25 per cent, or 40 per cent for those with income of over £19,300, in 1988/9).

These changes will not come into force until April 6 1990, to give the Inland Revenue time to collect the necessary information from taxpayers and to prepare its computer systems for the extra work involved.

The rules will encourage married couples to divide their estates more evenly between them, both in use up their full tax allowances and to take advantage of basic rate tax where possible.

Take a family where the husband pays tax at 40 per cent and the wife does not work (the same considerations apply if the situation is reversed). Her single person'e allowance is not transferable to her husband, so she should use it up if possible. There are various ways of doing this.

First, savings and other assets that provide an income should be transfered into the wife's name. She will then not pay tax on any income received, or be able to reclaim tax deducted at source, if the income is below £2,605. However, the tax paid on interest on bank and building society deposits, deducted under the composite rate scheme, cannot be reclaimed.

Transfers of assets between a husband and wife are tax-free. Alternatively, they can jointly own assets: under the new system, they will then be able to make a declaration as to the proportion of income from such assets that each should be taxed on.

Transferring the husband's earned income to the wife is not so easy. For instance, a husband cannot claim tax relief if he pays his wife for doing the housework or looking after the children. Family businesses may find it worthwhile to put wives on a salary — though the taxman will no doubt want evidence that she is actually doing some work and not being overpaid.

The wife's allowance cannot be used up by transferring capital gains in excess of £10,000 in any one year into her name (this first slice is tax-free, provided the husband and wife take half of the gains each). Although capital gains are taxed at income tax rates, they cannot be set against an income tax allowance, says the Revenue.

The Revenue has also said that married couples will not be able to claim mortgage interest relief on two properties. They might have hoped to do this under a system of independent tax by claiming, for instance, that they have separate residences: for instance, the husband may live in a house in town during the week and only return to the main family house at the weekend. The Revenue says that only the family's "home" attracts tax relief, a principle that has been upheld in earlier test cases.

Besides the planning opportunities, there are two automatic benefits from the new independent tax regime. First, husbands will receive a married couple's allowance of £1,490, representing the difference between his single allowance and the present married man's allowance. Oddly, in a system which is intended to recognise the equality of the sexes, the allowance is given to the man and only passed over to the woman if he cannot use it.

This allowance means that couples where both partners receive income will get the best of two worlds. On the one hand they will be taxed separately, meaning that a wife's income is not taxed at her husband's highest rate of tax. On the other, they keep the extra married allowance. Under the current system they can opt for separate taxation of earnings, but lose the married man'e allowance in the process. This will mean, in 1988/9, that only couples with a joint income of over £28,483, where the wife earns at least £6,579, will benefit from electing to be taxed separately.

In 1990/1, the year the new system takes effect, the concession will mean that married couples will pay a total of £670m less tax in total. This equates to an average tax saving of £290 a year for 1.6m wives, and an average £420 a year for 490,000 men, says the Inland Revenue.

The second automatic benefit is that women will be taxed separately for the first time since 1805. This means that they will no longer be included in their husband's tax returns, and husbands will no longer be responsible for paying their wives' tax. This may or may not be welcomed hy wives.

Richard Waters

Weekend Business

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	Net income in 1987	Capital Value* on 2-1-1988	Net income in 1987	Capital Value on 2-1-1988
1986	£48	£1381	£68	£1000
1985	£61	£1761	"	"
1984	£73	£2086	"	"
1983	£91	£2605	"	"
1982	£104	£2978	"	"
1980	£124	£3554	"	"
1977	£206	£5908	"	"
1976	£311	£8922	"	"
1976	£264	£7563	"	"
1968	£290	£8329	"	"

*Bid Price x Number of Units. Past performance is not necessarily a guide to future performance.

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£1000 invested in Jan.	Henderson High Income Trust		Building Society Extra Interest Account	
	Net income in 1987	Capital Value* on 2-1-1988	Net income in 1987	Capital Value on 2-1-1988
1987	£38	£1077	£68	£1000
1981	£117	£3351	"	"
1979	£115	£3300	"	"
1979	£129	£3709	"	"
1976	£195	£5581	"	"
1974	£201	£5770	"	"
1973	£156	£4471	"	"
1972	£202	£5786	"	"
1973	£235	£6747	"	"
1969	£212	£6092	"	"

*Bid Price x Number of Units. Past performance is not necessarily a guide to future performance.

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HENDERSON
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· THE BUDGET AND YOU ·

Cream for fat cats

THE family Chester. . . Bernard, a merchant banker in the City, is married to Elaine and they have two children, Stephen (13) who is at a minor public school and Helen(8).

Bernard has three brothers. Gerald, the eldest, who now runs the family business, an estate agency; David, a marketing director with an engineering company; and Robert, a financial adviser. His father, Hugh (married to Kathleen) has retired from the family business but still remains a consultant.

Elaine has two sisters, Penelope, who is married to a doctor, Richard, and Bridget, an unmarried accountant.Their mother, Alice, is widowed and lives by herself in Hampshire, with her cat, Lawson.

"WHAT a smashing Budget. Old Nigel's really done it this time," chortled Robert Chester. "I haven't worked it out properly yet but I reckon the lower taxes will save me hundreds and possibly thousands of pounds a year and the business has been given a real boost. There should be a real boom, with everyone having more money to spend.

"We should be dancing in the streets, especially you Gerald. You estate agents will have a bonanza with unmarrieds pushing up the price of houses before August and the new Business Expansion Scheme coming after that.

"All you rich boys in the City, Bernard, must be very pleased too. Less tax from your fat salaries and lots of new business as investors get rid of their old stocks. And Penelope, you got your wish for women to be given financial independence."

"So why all the glum faces, when we should be celebrating young Stephen's birthday. He got his wishes too – Bernard can now afford to give a real boost to his pocket money."

"Yes, yes, that's all very true Robert," said Bernard. "And the interest rate cut is a really encouraging aftermath. But my friends in the City are a bit nervous still. I know many of us will do very well, but we're a bit worried Nigel has given a bit too much away and there are some nasties for the rich too."

Elaine Chester: latent feminism and socialism? Elaine thinks the Chancellor could have done more to make taxation fairer for women and is disturbed at the lack of help for low paid people

"That's what I feel," his wife Elaine interrupted." It does seem a bit unfair. There's all this talk about the booming economy and huge tax cuts. But my friend, Jennifer, who works at the local hospital says they are having a terrible time down there as a result of being starved of money. I really do think they should give more money to the nurses, who will hardly benefit from the tax cuts and can't even club together any longer to buy a house."

"In any event I'm not too sure about this so-called fairer treatment. So far as I can work out married woman are to be treated just the same unless they work or have a separate income. And unmarried couples will still have the chance to get mortgage relief on two homes, while married couples won't be able to. And the well-off do seem to have done exceptionally well with the top rate of tax coming down so much and inheritance tax becoming a millionaire's dream."

"My teacher says its a Rich Man's Budget," said her son Stephen. "He reckons teachers in the state schools are almost as badly off as the nurses and nothing's been done for them either."

"Your teacher should stick to teaching", snapped Bernard with nods of approval from his brothers.

" Perhaps he doesn't realise that a lot of so-called rich people will be hit hard by the decision to scrap tax relief on covenants and maintenance payments. Your grandfather would think twice about paying your school fees if he didn't get tax relief, so he probably won't be giving any more when the fees go up next school year."

"What about the rise in the cost of company cars?" asked David. "That's a real blow and as far as I can work out share option schemes are not what they were. He's even taken away the free lunches with foreigners. He's done precious little for industry, except remove most of the perks. Small businesses have done all right as usual, but no help for people like us."

"I'm sorry Gerald, but I think it's madness to encourage a property boom when prices are already much too high. I agree that couples living in sin shouldn't have an unfair advantage, but what about young, single, people who can't afford to buy or rent property."

David Chester: There's no such thing as a free lunch with a foreign client and David is not pleased about it - or about the higher cost of company cars

"It really is a problem," said Penelope. "I know I was against married couples being discriminated against, but I'm not so sure that Mr Lawson's solutions are the right answer. And whatever party you belong to there must be a worry that nothing was done to help the real poor – those who don't earn enough to pay tax. With the changes in the social security, some of them will really suffer. It seems wrong when everyone else is getting so much more money."

"Well, I'm amazed," said Robert. You've all been whining for years about having to pay too much tax and now you're complaining when some real cuts are made. There's nothing in my book that says the rich should be soaked to help the poor. I work hard for my money, and I don't see why I should keep it and be able to pass it onto my children. I'm no millionaire – or at least not yet – but the change in inheritance tax is the stuff that dreams are made of so far as I'm concerned."

"Quite agree with you, my boy," exclaimed his father Hugh, helping himself to another generous helping from the whisky bottle. "I'll be able to pass on more than I expected, and meanwhile at least Lawson didn't touch some of the pleasures of life. A pipe smoking, whisky drinker like myself, with a few bob tucked away and a reasonable income did extremely well."

"Yes that's about it " commented David sourly. "The rich did very well, the middle class not too badly and the poor got nothing."

Punishment for the poor

Michael Prowse finds little to admire in a Budget which operates on the Biblical principle of "unto everyone who hath shall be given."

DEALERS IN City trading rooms could not help cheering on Tuesday afternoon when the Chancellor slashed the top rate of income tax from 60 per cent to 40. Their joy was understandable: many were at least £9,000 a year better off as a result of Nigel Lawson's largesse.

The reaction of families subsisting on welfare benefits must have been very different. The Budget offered them nothing except higher prices for drink and tobacco. While the better off are counting their gains, the poor are bracing themselves for the harsh new social security regime that takes effect next month.

The Chancellor failed signally to rein in the "welfare state" of benefits for the middle classes. The Government is planning to spend more on mortgage interest relief than on housing benefit for the poor. Under the new social security rules, around 1m people will lose all entitlement to housing benefit while 5m will lose part of their subsidy.

Once again, Lawson left the huge tax privileges of private and occupational pensions unchallenged. He did not even promise consultation on ways of eliminating tax-free lump sums. Yet, one of the first acts of the Thatcher administration was to cut the link between the basic state pension and earnings. Thus, the gap between the living standards of the elderly poor and the rest of the society is guaranteed to grow wider steadily.

And while the Budget reduced inheritance tax on a 2m estate by £345,000, John Moore, the Social Services Secretary, is going to make the poorest welfare recipients borrow to pay for one-off household items such as cookers and beds. Such irregular needs traditionally have been met by straight grants, reflecting the fact that welfare benefits at best cover day-to-day living expenses. The failure to pay for the replacement of worn-out household capital goods will almost certainly drive many poor families further into debt.

The Government accepts that about one-third of benefit recipients will be worse-off in real terms as a result of next month's changes. Some academics, taking account of the replacement of single payment grants by loans, estimate the true figure could be closer to two-thirds.

Lawson says the Budget will improve economic performance because it boosts incentives. He claims there is no tax rate in the system above 40 per cent. The poor will beg to differ. The Government's policy of withdrawing means-tested benefits as income creeps higher means that about 500,000 will face marginal "tax" rates of 70-90 per cent. This poverty "surtax" can hardly be good for enterprise.

The Budget will also do virtually nothing for the low paid who both receive benefits and pay some tax. The cut in the basic rate and the raising of thresholds will be cancelled-out in real terms by automatic reductions in benefit entitlements. This is because, from April, benefits will be calculated on the basis of net, rather than gross, income. In other words, the less tax you pay, the less benefit you get.

The Chancellor failed even to mention national insurance contributions, a regressive levy that hits low earners harder than the better-off. An artificial ceiling on the levy remains in place, while the structure of the tax at the bottom end continues to encourage the proliferation of low-paid, part-time jobs. Yet, in post-Budget briefings Lawson remarked that his tax reform task essentially had been completed.

The very poor may be suffering most but low earners in general have little to celebrate. This was not a Budget for nurses. Single people on £8,000 a year will get tax cuts of £3 a week only; that is, about one-50th of the reduction for those on £70,000. Indeed, tax tables published by the Inland Revenue show that gains are remarkably modest, at around 2 per cent of incomes, on salaries up to £20,000.

Until 1985, chancellors were obliged to announce both tax and benefit changes on Budget day. In 1974, when Denis Healey soaked the rich with his top rate of 98 per cent, he also revealed big increases in state pensions and other benefits.

Lawson must be glad of the procedural change introduced three years ago. Without it, his Budget for the meritocracy might have provoked even louder cries of "shame" from the Opposition benches.

BRIDGE

MY FIRST hand today comes from teams-of-four. Look at this little slam:

N
♠ J
♥ 8 3
♦ A 8 7 6
♣ K J 10 8 5 2

W
♠ A 10 9 2
♥ 4
♦ K Q J 9 2
♣ 9 6 3

E
♠ 8 7 6 3
♥ J 9 7 2
♦ 10 5 3
♣ 7 4

S
♠ K Q 5 4
♥ A K Q 10 6 5
♦ 4
♣ A Q

With North-South vulnerable, South dealt and opened with two hearts. North replied with three clubs and South rebid three hearts. When North raised to four hearts, South said four no trumps and went six hearts after North's response of five diamonds. West led the diamond king.

In one room, South won with the ace in dummy and drew two rounds of trumps with ace and king, West showing out on the second round. The declarer cashed his club ace, overtook the queen with dummy's king and played the knave.

If East had held a third club, the contract could have been salvaged, but East ruffed. The declarer overruffed, drew the last trump and then played a spade. West took and led queen of diamonds. South ruffed, but had to lose another spade and went down.

In the other room, the declarer played with more foresight. After winning the diamond lead, he ruffed a diamond in his hand (just in case East had four hearts to the knave) and returned the four of spades. West won and continued with the 10 of spades.

This was ruffed in dummy and another diamond was ruffed in hand. Now South cashed ace and king of hearts, and West's singleton came to light.

Cashing the club ace, South overtook his queen with dummy's king and followed with the knave. East was helpless. If he ruffed, South would overruff and claim the rest of the tricks; if he discarded, declarer would continue to play clubs, discarding spade winners.

At trick 12 East would be subjected to a trump coup, which the declarer's careful timing and trump-reducing plays had made possible.

Wa turn to rubber bridge:

N
♠ K Q 6
♥ J 8 3
♦ A Q J 10
♣ J 8 5

W
♠ J 10 9 8
♥ 7 2
♦ K 7 6 4
♣ A Q 2

E
♠ A 5 3
♥ 9 6 5
♦ 9 2
♣ 9 7 6 4 3

S
♠ 7 4 2
♥ A K Q 10 4
♦ 8 5 3
♣ K 10

South dealt at game all and bid a heart, North said two diamonds and raised the rebid of two hearts to four. West's knave of spades was covered by queen and ace, and a second spade was won by the king.

South drew two rounds of trumps with ace and king and finessed the queen of diamonds, which held. He crossed to hand with a third trump and finessed another diamond. With no certain entry to hand, he cashed the diamond ace, but the king did not drop. He led a club but West held both ace and queen, and South went down.

Most improvident. Declarer must realise that, unless the diamond king is onside, there is no chance of landing the game. After winning the second spade, he must play a heart to his queen – just one round of trumps – and then finesse the diamond queen.

When this holds, he crosses to hand with a heart to the king and takes another diamond finesse. Another heart to his queen draws the trumps and enables him to take a third finesse in diamonds, which is essential because of the 4-2 break in the suit.

He throws his losing spade on the ace and leads a club. West has both ace and queen but South, by preserving entries carefully, gathers in 10 tricks.

E.P.C. Cotter

· FINANCE & THE FAMILY ·

Taxed for dying

I understand that the executor of an estate has to take out a bank loan to pay death taxes (currently IHT), and shares and other assets cannot be sold before the tax penalty on death is met.

What would be the position of an executor if he had taken out a loan to pay taxes on an estate largely composed of shares and valued just before a crash and assuming that the prices realiseable on the securities by the time he was allowed to sell them did not meet the loan?

Would he personally be liable? If so, would there be a case for him to bring at the European Court of Human Rights against the British government?

In your answer you will probably advise executors to employ a member of your profession. If an executor of an estate employs a solicitor, not provided for in the will, to help him, does he have to pay the solicitor out of his own funds or can he charge the estate?

Will the solicitor expect to receive his consideration before any legacy to the executor is available? What is the executor's position if any legacy expected to pay the solicitor's costs is wiped out by the death tax arrangements coupled with a crash in share values?

If the executor is put in an unfair position by the laws, can he protect himself by the use of insurance, a limited company, or simply resigning?

So long as the executor takes care to procure the loan in his capacity as personal representative of the testator, he will not be liable beyond the assets in the estate. There would not, in any event, be any justifiable claim in an international forum against the government of a country in which the stock exchange suffered a substantial fall.

If the solicitor is engaged to deal with a legal problem of the estate in circumstances where it is reasonable to seek legal advice, his costs are an expense in the administration of the estate and are properly chargeable in advance of all legacies. If there is insufficient to pay all the administration expenses after payment of the inheritance tax, all creditors in respect of administration expenses would have to abate their claims rateably.

There is nothing to stop an executor insuring if he can get a quote for a premium which he finds acceptable, but the cost of insurance would be borne by him personally. An executor cannot simply resign, although the court can now make an order permitting him to retire from his office as executor. His proper course is to renounce probate i.e. not to take on the job.

However, the foundation of your concern is possibly misplaced, since the value of the shares can be adjusted downwards if they are sold within a year and they realise less than the death date value.

Red tape delays repair

We wanted to rebuild a section of cut-stone wall between 6ft and 8ft high. Before we could do so, however, we were required to obtain planning permission which took two months to get, even though the stone intended for the repairs was approved.

By the time the permit came through, we had lost the stone tentatively booked for the job, resulting in our having to wait for another six months before we could find another lot of matching stone. This cost an additional 100 per cent or so, apart from the fee of £30 for the planning permit.

The application form itself which we were required to fill up referred to building and development. We were not seeking to do either of these things; just to repair a section of wall which incidentally would, and has, vastly improved the environment.

Our planning officer says that it is Parliament that lays down the law in such matters. Is it really true that repairs to a wall over one metre high need planning permission? If so, an awful lot of people are going to feel frustrated, to say the least, over the red tape before they can repair damage caused by the storm last October.

You would not normally need planning permission if the works of repair do not alter the shape or height of the wall and if the wall is not a listed building.

Revenue is right

My sister and I and our respective children own 100 per cent of the shares of a private limited company.

I recently gave part of my shareholding in a subsidiary company to my children and claimed capital gains tax retirement relief on the disposal. All the shares of the subsidiary company are owned by the family parent company and by my sister and myself and our respective families.

The Inland Revenue says that capital gains tax retirement relief is not due on this disposal as the controlling interest of the subsidiary company is in the hands of the parent company and not the family, notwithstanding that the parent company is wholly owned by the family.

I shall be grateful for your view on the validity of the Inland Revenue's contention.

It is a pity that you did not ask your tax office for the free pamphlet on retirement relief, CGT8(1986), before deciding what shares to give away. The tax inspector is quite right: the subsidiary company is not a "family company" as defined in paragraph 1(1) of schedule 20 to the Finance Act 1985 - "family company" means, in relation to an individual; as to not less than 25 per cent, exercisable by the individual, or as to more than 50 per cent, exercisable by the individual or a member of his family and, as to not less than 5 per cent, exercisable by the individual himself.

Flat-buyer pulls out

I put my flat on the market last summer and received, via an agent, an offer which I accepted. I made it clear to the purchaser that I wanted a swift completion – within a month if possible. The purchaser assured the agent he was a cash buyer and this should not be a problem.

Legal enquiries etc proceeded rapidly but when, after six weeks, contracts had not been exchanged, I spoke directly with the purchaser who explained away the delays and confirmed he was still definitely going ahead. Several weeks later, without any explanation or apology, he pulled out.

I have now sold the flat to someone else and my solicitor has billed me for £65 for his abortive work on the first deal. I wrote to the solicitors of the first buyer asking if they would contact their client and obtain reimbursement for me. They have replied that they do not feel there is any responsibility upon their client to make such a payment. Is there anything I can do about this?

Unfortunately, there is no legal obligation on the proposing purchaser who backs out before contracts have been exchanged. You could write to him personally and suggest that he should reimburse you: but he is not bound to do so.

Wife hit by golf ball

In January, you advised a visitor to a golf course that damage caused to a car by a ball was the golfer's responsibility. Does this advice extend to personal injury?

My wife was struck in the mouth by a ball while playing golf. The striker was on another fairway and the mishit ball crossed to the fairway we were playing on. No warning shout was given. My wife lost one tooth and could lose more. The dental bill is estimated at £700.

The golfer's insurance company denies liability and suggests the club is responsible. It has denied this verbally. Your January reply raised my hopes that, in fact, the golfer is responsible.

The position is different where your wife was herself playing golf on the course. In that event, she would have no claim against the club - the legal rule being that there is no liability to someone who willingly places herself in a position of risk. You might possibly have a claim against the golfer whose ball struck her if it could be shown that he was negligent and that your wife was not contributorily negligent.

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Boundary definition

I have always understood that, where a bank marks the boundary of a property, the extent of that boundary is the centre of the bottom of the ditch on the outside of the bank. Is this true or is the furthest extent of the boundary the crest of the bank.

The general presumption in law is that the ditch was made by the owner of the land on the side where the bank is, since the soil from making the ditch should have been thrown on the land owned by the maker of the ditch (so as not to trespass). Hence the boundary presumption is that the boundary runs along the bank of the ditch on the opposite side from that on which the soil has been thrown (this often has a hedge on it). If both banks of the ditch are of even height the presumption would not apply, and the centre line of the ditch would be the boundary. The title deeds themselves may show a different boundary, and this will prevail.

Car cost challenge

I have for some 10 years been allowed to charge a part of the cost of my car as a business expense. This was obtained by adding up the total cost of running the car for the year.

This year, however, the Inspector of Taxes has written to me stating that the relief on car expenses claimed has been disallowed, the reason being that the expenditure has not been identified. Apparently, if you wish to make a claim for car expenses you must clarify the reason for each journey, the mileage and the cost.

1. Has there been a change in the regulations?

2. While it would be possible to give a reason for each journey and the mileage, it would be immensely laborious and I do not see how it is possible to identify a cost-again journey.

There has been no change in the income tax regulations. The tax allowance in respect of business mileage is a matter of negotiation between yourself and the inspector of taxes. The inspector has the right to expect you to justify the amount of business mileage. We agree that expecting you to give details of every journey is likely to prove laborious. We suggest that you ask the inspector if he would be willing to accept full details for a small period in the year, say one month, and take that as representative of the whole year.

· FINANCE & THE FAMILY ·

Lloyds' mortgage offer

IN THE NEWS

LLOYDS BANK has launched a three-year, fixed-rate mortgage offer. The rate, which will remain unchanged until June 1991, is 10 per cent (equivalent to 10.5 annual percentage rate). This is 0.5 per cent *below the bank's* present standard home loan.

There is a catch, though. The fixed-rate loan is available only for endowment and pension mortgages. In addition, the associated endowment assurance must be *supported wholly or in part by a* Black Horse Life unit-linked policy.

So, for a possible short-term advantage in interest rates, you do have to commit yourself to a long-term policy, provided by the bank's subsidiary life company, that might not give the best returns. You are also committed to taking out a unit-linked policy, which involves higher risk.

The bank has allocated £300m for the special offer. There is no minimum or maximum limit on the amount you can borrow but loans will be based on three times the applicant's gross salary or 2.25 times joint incomes.

Also, the bank will lend only up to a maximum of 90 per cent (95 per cent for first-time buyers) *of the valuation of the property* and will require indemnity insurance for loans of more than 80 per cent.

There is a commitment fee of £100 and an early repayment penalty of two months' interest unless the loan is transferred to another property.

TSB England & Wales has made a fixed-rate mortgage offer, too, although it is charging a slightly lower rate (9.9 per cent) over a longer period (five years) and has allocated only £50m. Like Lloyds, the fixed-rate offer is confined *to unit-linked endowment* mortgages bought from the TSB Trust Company.

In other words, both banks are using their financial muscle, through fixed-rate home loans, to drum up business and commission *for their life company* subsidiaries. However, this week's cut in interest rates, and the prospect of a general decline in home loan rates, may make the fixed-rate offers look distinctly less attractive. Mortgage Trust, for example, has cut the rate on its premier gold mortgage scheme from 9.9 to 9.5 per cent.

Meanwhile, Midland Bank is being more *straightforward* in relaunching its home mortgage package under the brand name of Orchard. From April 5 to July 29 borrowers will for 12 months be given a 0.5 per cent discount on the bank's standard home loan rate *on an endowment mortgage* – when the necessary endowment policy is taken out through the Midland.

John Edwards

Trust debut

MORGAN GRENFELL, the London-based merchant bank, is *entering the retail market for* unit trusts for the first time with the launch on Monday of four funds backed by a £1m advertising campaign.

Until now Morgan Grenfell, which manages some £15bn worth of funds, has confined its investment skills to pension funds and private individual portfolios of £500,000 or more. Now, it has decided to spread its net by offering a range of unit trusts with a minimum investment of only £1,000.

The group recruited Tony Fraher, who previously formed the range of Grofund unit trusts for Allied Irish Banks, to head the operation and he has set up an administration system to ensure that contract notes are posted within 24 hours, certifi*cates 10 days after receipt of pay*ment, and repurchase cheques within seven days.

The first four trusts, which will be offered for three weeks at a fixed price of 100p a unit, are UK Equity Income, International European, and American Growth. Fraher says the group plans to introduce a further eight unit trusts during the next year, followed by a move into other retail services.

Another leading City name, James Capel, is also launching four new unit trusts on Monday. It, too, is proposing to spread to a wider audience its well-known expertise in investment research and management, previously available only to institutions and unit trust portfolios for its own private clients.

Its three existing funds – Capital, Income and American - will be supplemented by four additional trusts: International European and Far Eastern Special Situations, plus Gold and General.

Although these all sound rather high risk, James Capel says its investment strategy is based on a research-driven system which weights portfolios towards stocks with good growth prospects and lower than average price earnings ratios. This, it claims, leads to portfolios with a reduced risk profile and long-term potential.

All four new trusts will be offered at a fixed price of 50p a unit until April 9. Minimum investment is £500.

J.E.

Poison purged

LIFE FOR fund managers will never be the same following the October stock market crash.

This is Touche Remnant's message in launching its latest unit trust - the World Wide Special Situations Fund.

Sir William Vincent, Touche Remnant group investment director, views the events of last October as a purgative to get the poison out of the investment management system.

Gone, he says, is the fund management strategy of global rotation - switching funds between stock markets with little concern about individual stocks.

Gone, too, is the move to index fund management, programme *trading and portfolio insurance.*

Fund managers, claims Sir William, are returning to the old fashioned concepts of value buying, *fundamental analysis and* active management.

This will be the underlying strategy for the fund. He feels that all the major world equity markets have undervalued sound stocks in which the fund will invest. Once the stock price is considered to reflect the underlying value, it will be switched.

To seek out such stocks, Sir William has a team of fund managers covering various world markets. The team meets once a week to exchange ideas, but also has discretion under his overall control to act in the best interests of clients.

Investors are warned, however, that this is a high reward/high risk fund that should be invested over the medium to long term as a peripheral, not a core, holding.

Touche Remnant is joining the small but growing band of investment houses setting up a programme of charitable donations.

The start of this programme is for Touche Remnant to donate half of its management fees to Dr Barnado's - the charity devoted to helping the young and disad*vantaged, particularly in* Britain's deprived inner cities. The auditors and solicitors to the trust are donating part of their fees.

The charges of this fund - 5.25 per cent initial and 1.5 per cent renewal - are at the top end of the range. But these are the standard charges for an overseas fund from Touche Remnant.

Eric Short

CHESS

JAN TIMMAN, Holland's leading grandmaster, is poised to become the first Western-born player since Bobby Fischer of the US to achieve an international rating of 2,700 points - the level of the world champions and their closest rivals.

On the latest FIDE list, published in January, Timman shows at 2,675, behind Kasparov (2,750) and Karpov (2,715). But he has won two matches since then and, a few days ago, the strongest tournament so far in 1988.

At Linares, Spain, Timman scored an imposing 8½/11 ahead of Belyavsky (USSR) 7; Yusupov (USSR) 6½; *Ljubojevic (Yugoslavia)* and Chandler (England) 6; Nunn (England), Illescas (Spain), Georgiev (Bulgaria) and Portisch (Hungary) 5½; Hjartarson (Iceland) 4; and Nikolic (Yugoslavia) and Chiburdanidze (USSR) 2½.

These results were revealing on several counts. Belyavsky is unlucky not to be a world title candidate; Yusupov remains the most unlucky Soviet player to challenge the hegemony of the two Ks; and Britain's Chandler and Nunn are firmly among the world leaders. But the chances of Portisch (paired with Timman) and Hjartarson (who plays Karpov) look poor in the world quarter-finals. The woman world champion, Chiburdanidze, failed to a mixed tournament for the first time.

The good form of Yusupov and, especially, Timman shows that Britain's Nigel Short and Jon Speelman face formidable rivals in their *ambition to challenge* Kasparov for the world title in 1990. Short and Speelman are scheduled to meet in the candidates' quarter-finals, which FIDE has now declared can be held as separate events rather than at a joint time and venue.

Plans are for the UK grandmasters to play their six-game series in London in August. If this proves correct, the timing looks questionable. August is a peak month for established national events - the Kleinwort, Grieveson British championship, the televised BIS British Speed championship, and the Lloyds Bank Masters follow in succession - so the clash of dates will diminish one or more of them.

Timman's strength as a player stems from his honed, all-round, classical style. He is up to date with the latest theoretical ideas, stemming from his work with the excellent magazine *New in Chess* (available in Britain from 239a Ballards Lane, London N3), while his middle game analysis combines strategic and tactical vision. He can beat anyone in individual games and has defeated both Karpov and Kasparov.

If Timman has a lurking weakness, it is psychological. He has been eliminated more than once in the world title interzonals and lost by a high 3-6 margin to Yusupov in the 1986 candidates, where he simply froze in front of the expectant Dutch audience. And, at age 37, it is difficult to visualise him as the man to unseat 25-year-old Kasparov.

Timman's win at Linares against the world woman champion was a smooth performance which illustrates a useful and little-known opening finesse.

White: M. Chiburdanidze (USSR). Black: J.H. Timman (*Netherlands*).

Catalan Opening (Linares 1988).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 P-KN3, P-Q4; 4 B-N2, B-K2; 5 N-KB3, O-O; 6 O-O, P-B3.

After 6 ... PxP White regains the pawn by N-K5, QN-Q2 or Q-B2 while Black can strike in the centre by P-QB4. But QN-Q2, although frequently played, is inaccurate and allows White central control with Q-Q3, N-B3 and P-K4. Black should delay committing his QN as long as possible.

7 Q-B2, P-QN3; 8 QN-Q2, B-N2; 9 P-K4.

The natural advance, but premature. White should continue routine development (P-N3 and B-N2) until the Black QN has *declared itself. If the knight goes* to Q2, the White's P-K4 is safe since his queen cannot be harrassed; if the knight is deployed at *QR3, White can establish an* outpost by N-K5.

9 ... N-R3! 10 KPxP, BPxP; 11 P-N3, R-B1; 12 B-N2, N-QN5; 13 Q-B3, PxP; 14 PxP, N-B3.

The knight returns to the centre, but with the idea of another wing jump (N-QR4) which further dislocates the white army. White now has three pawn islands to Black's more compact two, while White's pair of hanging central pawns come under increasing fire from Black's bishops and knights.

15 N-N3, N-K6; 16 Q-Q3, N-Q3; 17 P-QR3, B-R3; 18 KR-B1, B-B3; 19 KN-Q2, R-B2; 20 N-K4, NxN; 21 QxN, N-K2; 22 B-B1, B-N2; 23 Q-B4, N-B4; 24 R-Q1, B-N4; 25 Q-K5, B-KB3; 26 Q-B4, R-B3; 27 P-Q5?

Trying for counterplay, White simply loses a pawn. The normal 27 QR-B1 loses the exchange to B-N4, while if 27 Q-B1, R-Q2; so the only practical chance is 27 P-B5.

27 ... BxR; 28 PxP, Q-K2; 29 R-R2, NxNP; 30 KPxN, PxP; 31 Q-K4, B-N2; 32 Q-K3?

To meet 32 ... BxP by 33 N-Q4, but now White loses a piece.

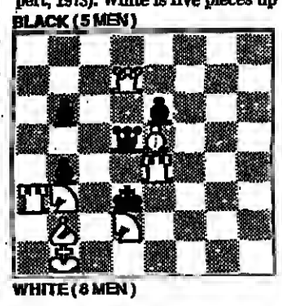
32 ... R-B6; 33 Resigns.

Meanwhile, apologies for a slip in last week's university report. Cambridge, not Oxford, leads the overall series 45-44.

PROBLEM No. 715

White mates in two moves, against any defence (by H. Knuppert, 1973). White is five pieces up

BLACK (5 MEN)



WHITE (8 MEN)

and the Black king has no legal moves; but the puzzle requires a clever key move which won the composer first prize in the annual Europe Echecs contest.

Solution Page XXIII

Leonard Barden

· COLLECTING ·

Antony Thorncroft previews major sales devoted to an impressive collection of Scandinavian paintings

The Nordic art experience of the age — in London

This silk-screen print, "Black Walnut" by Pirelli artist Norman Stevens, is being sold in a limited edition through CCA Galleries, Dover Street, W1, on behalf of Kew Gardens. Proceeds will go towards Kew's hurricane fund and the prints will cost £250 each

IF YOU have ever had a leaning towards a Scandinavian painting — perhaps a pubescent nude by the Swede, Zorn; or an atmospheric interior by the Dane, Hammershoi; or a watery scene by the prolific Norweigan, Thaulow; or a chilling woodland view by one of that gang of Finnish female artists who have suddenly been recovered from obscurity — then next week offers your best ever opportunity.

Both Christie's and Sotheby's are holding major sales devoted to Scandinavian paintings, hoping that there is enough demand in the world for five hundred works of art. Even Phillips is joining in with one major Danish painting by Michael Ancher. Against the odds London is mounting the Nordic art experience of the age.

The odds are considerable. Most of the paintings on offer come from Scandinavia, and a majority can be expected to return thither. But the new owners must expect to pay an import tax of more than 20 per cent on their new joy. In addition the Scandinavians have strict export controls on their native works of art. As a result many of their finest paintings were not allowed out for sale in London. The Norweigans were particularly difficult; the Swedes, in contrast, took a more generous approach, rejoicing in the international demand for their artistic sons.

It says much for the reputation of Sotheby's and Christie's that they have gathered together such impressiva collections. Admittedly their charges are lower than those of Scandinavian auction houses, but their main advantage is that they can pull in potential buyers from all over the world.

Few Japanese venture to Stockholm but many will be bidding next week in London. The Americans too are interested, and not only those of Scandinavian origin. In the UK there are a few British buyers for Danish art but the super-rich Scandinavian colony in London is the main collecting base. What excites Christie's and Sotheby's most is the thought that institutions such as the National Gallery are at last considering plugging their yawning gaps in 19th century Danish and Swedish painting.

Interest in Scandinavian art exploded four years ago when the National Gallery showed paintings from Copenhagen of the Golden Age of Danish painting (the early 19th century). The initial impact was built on by the "Dreams of a Summer Night" exhibition at the Hayward. Then the salerooms joined in, with Sotheby's holding an auction of Scandinavian art which proved a great success.

Apple Blossom by Carl Larsson, estimated to fetch between £50,000 and £70,000

Of course there is a large dose of auction house, and dealer, hype behind the phenomenon: but just looking at the paintings, you realise that an important school of art has come in from the cold. The best are decorative, without being sentimental, and evocative, without being obscure. The northern light makes them a little mysterious, yet easy to live with.

What is encouraging about the market in Scandinavian pictures is that, after the immediate price boom, there has not been any significant downward reaction. Predictably the well publicised high prices for artists never considered saleable in the past have drawn out many more paintings, and artists like Zorn and Thaulow — Gauguin's brother-in-law — were amazingly prolific. The latter has lost some favour but in general quality pictures still do very well. Zorn, in particular, has excited the trade.

One of his finest paintings of nudes sold recently at Bukowski in Stockholm for the equivalent of £750,000, over twice his previous best. Sotheby's and Christie's are offering eighteen works by Zorn between them. Some are small etchings but there are enough of his striking nudes to satisfy most tastes. Zorn was innovative in painting them en plein air and Sotheby's hopes for the best price — top estimate £500,000 — for two young girls caught, surprised but not shocked, in a woodland glen.

Zorn, who travelled extensively in Europe, has always been the best known Scandinavian artist after Munch who stands apart in style and reputation. Sotheby's includes two offits sketches of St Ives, completed in 1887, which should appeal to the enthusiastic British buyers of Newlyn School paintings even though the price (top estimate £80,000) is steep even for their bulky cheque books.

Christie's auction on Thursday will be a tense experience for its expert Mark Poltimore. It is the first the saleroom has mounted devoted entirely to Scandinavian art and a major marketing drive, especially in Scandinavia, has produced almost 300 lots. He has some Zorn nudes but the highest prices are likely to be paid for works by Carl Larsson, whose pretty domestic interiors now have international appeal. One can imagine the Japanese lapping them up.

For museums and Larsson freaks there is an important, untypical, oil of an old lady preparing vegetables against a symbolic sunset. It is an academic picture but should make £200,000. Of more popular interest is a watercolour of his wife Karin in his studio. Some of the furniture depicted is still on show at the Larsson home, now a museum. It should also reach £200,000.

Both Sotheby's and Christie's have been attempting, not always successfully, to persuade vendors to be modest in their expectations and accept reasonable estimates and reserves. If a key artist is stuck with an over-optimistic reserve, and fails to sell, the still febrile public demand could quickly wither. By chance two of the best paintings at Christie's, by the Swedish artist, Bruno Liljefors, come from the estate of a deceased person and carry low forecasts, around £50,000 each. One depicts a fox taking a crow and the other a cat basking in the sun. Both Poltimore and his Sotheby's rival Alex Apsis regard these as among the finest paintings on offer: they could easily top £100,000.

Apsis begrudges Christie's the Liljefors but he has his own "unknowns" which could be ready for international stardom. A lively view of Bergen in 1905 by the Norweigan Christian Krohg seems cheap with its £50,000 estimate and a beautifully serene view of a lady sewing, with a fjord in the distance, by Eilif Peterssen is worth all of £150,000. It is the kind of painting which makes you realise just how mad the art world can be, with collectors, or rather rich buyers, paying exorbitant prices for inferior works by the Impressionists and post-Impressionists, both major and minor, just because the names are famous, while these gems of the north lie unnoticed.

It is pointless singing the praises of the Finn Helene Schjerfbeck: she is unknown outside her native land and Sweden, yet hsr paintinbgs are superb. Whistler was influenced by Hammershoi, who was also admired by Renoir. Many of the best Scandinavian artists travelled to Paris or Berlin in the late 19th century and took back with them impressions from the advanced art centres which they then coloured with a native hue.

Of course, it is in the interest of Sotheby's and Christie's to exploit new collecting sectors. Some of their past ventures have blossomed briefly (orientalist pictures); some have shown a recent sparkle and then looked tarnished (post 1900 Viennese); some are still finding their feet — for example 19th century Italian art sold brilliantly at Christie's last year with a repeat auction booked for April. Anyone who thinks Scandinavian art is solely an invention of the market should pop along to Christie's and Sotheby's from tomorrow to view these beguiling and varied canvases. Few would qualify as great art, but many will touch the popular imagination.

Retirement Homes

· PROPERTY ·

Pointers and pitfalls for the last-time buyer

John Brennan reports on the rapidly growing market in sheltered housing and retirement homes and finds both plus and minus points

AGEISM HAS crept up on housing without undue drama. It is a moot point whether it was the builders' sales strategies or the market itself that started the stratification of new homes by age. Whatever the reason, we now have an established output of property types graduated by buyers' age and income.

"Starter homes" for first-time buyers have been around for some years. The term "bachelor flats" as an alternative first rung of the housing ladder has tended to give way to the now ubiquitous "studio apartment," but the next stage up, the catagory of homes for "young marrieds," has proved to have more staying power. Ageism defers to income and ambition in the middle years, with "luxury," "executive" and "professional" housing at one end of the estate, and houses with studiously neutral names at the other. The use of Tudoresque or geographically ambiguous names for the non-luxury, non-executive and, presumably, non-professional house styles, neatly avoids having a distinctive category of homes for the rat race's also-rans.

Marketing properties as winners' trophies is one thing, trying to sell house styles in a "Duntrying" range would be quite different. There are no such reservations about property branding once the target audience moves into the fifth decade. Hit 55, and you run into what has become the most popular of all ageist housing sectors – retirement properties. Retirement homes constitute an area of the business that has matured into a series of mini-markets offering properties from smaller, easy-care houses and flats to warden-assisted sheltered homes, and entire mini "old towns" complete with integrated nursing care. This is not merely one of the fastest growing sectors of the new homes industry, it has also become a near sacrosanct part of the business. Retirement properties have been insulated from criticism because they provides the unusual combination of profitability with a product that is pretty well universally regarded as socially responsible.

This is a heady mix for the builders, particularly as they usually have to put up with criticism for either building too much, or too little, for building too badly, or too expensively. Even the mildest hint of criticism about the retirement homes concept therefore tends to spark a defensive response. Social responsibility and profitability are able to run hand in hand because every planning officer in Britain is conscious of the need to allow for more elderly homeowners.

The planners' enthusiasm, and the nature of housing that can be sold by making a virtue of the fact that is smaller and more manageable than a family home with, generally, communal rather than individual gardens, make it possible to pack more retirement homes onto a building site than almost any other kind of property. Even with the costs of higher than average standards of insulation and household fittings, inter-floor and stair lifts, integral electronic alarms, and extra care over the design of access points, room layouts and so forth, it is the site density figures – the number of units that can be sold for a given area of land – that really determine the profitability of a residential development. Retirement homes are, then, commercial winners.

The population forecasts explain why they are also seen as socially responsible. Over 11½m people, 20 per cent of the UK population, are now over 60. By the turn of the century there are expected to be more than 12m over the age of 60, of whom 4.5m will be 75-plus. Although this awareness of the growing number of older home buyers does not translate automatically into planning permission, few housebuilders have missed the point that sheltered housing schemes tend to go to the top of the pile on planners' desks, and that successful applications often allow for those vital extra few homes per acre.

As the House-Builders Federation recently acknowledged, the generally favourable planning climate, and the evident demand from what are bluntly called "last-time buyers," have attracted more builders into the business and diluted expertise in this area. In an advice note to members, the federation warns that, "in areas where housing land is expensive and in great demand some landowners or their agents are obtaining planning consents for (retirement) schemes on sites which are, for one reason or another, totally unsuitable for sheltered housing for sale." Warning members to avoid poor sites, the federation comments that, "at its crudest, customers will be disinclined to buy sheltered homes which overlook the gasworks or the sewage farm and which are miles from the nearest shops." It is a little worrying to think that there could be builders searching out isolated, hilltop sewage and gas works, but at least they have been warned.

Although aimed at its builder members, the federation's definition of retirement homes is a useful benchmark for prospective buyers. The federation concludes that the sheltered end of retirement properties can be distinguished as: "purpose-built or converted exclusively for sale to elderly people, with a complete package of estate management services (and which consists of) grouped, self-contained accommodation with an emergency alarm system, usually with communal facilities and normally with a resident warden."

In the current enthusiasm for purpose-built retirement homes it is heresy to question whether they are quite as wonderful an idea for the buyers as they are for the builders. No-one can doubt that the packaging of the retirement home concept is a classic example of effective marketing. A few short of 10,000 people reach retirement age in the UK each week, and as Peter Smith, chairman of the retirement counselling group DPS Consultants, points out, as many as 2,500 more between the ages of 50 and 65 take early retirement each week.

The special appeal of this rapidly increasing number of prospective retirement home buyers is that over 45 per cent of the current crop of new retirees own their own homes and have the capital to afford an end of career move in style. As the first generation home owners of the 1950s and 1960s reach the end of their working careers the proportion of people with releasable equity in their own homes will rise accordingly. Thus there appears to be a salesman's dream of a market opportunity, with ever more buyers more able to afford a profitable product that everyone regards as a "good thing" – or do they?

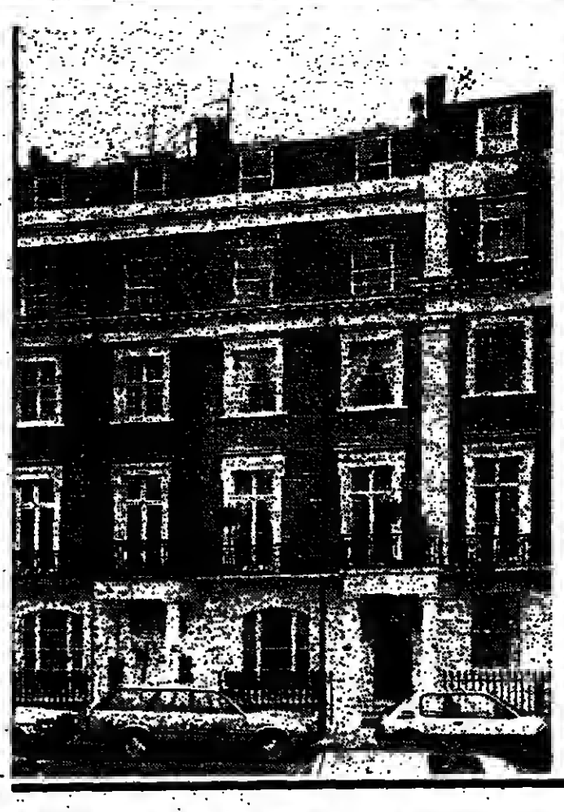
Peter Smith, whose consultancy acts for 150 companies helping their staff come to terms with life after work, has serious doubts about the business of creating a generational housing type for people just because they happen to be at the end of their careers. "I am," he says, "a dissenter from the whole concept of retiremet homes as presented by the construction industry, which aims its advertising at the younger pensioners. No healthy person in the age range 55 to 70 at the earliest needs warden-assisted accommodation in which to live, confined by small community rules."

Buoyant sales disprove any suggestion that buyers of retirement homes are deterred by the security offered by these schemes. The best developers now maintain waiting lists of prospective owners. Smith's dissent might seem to be out on a limb, but it is not the standard of the schemes that concerns Peter Smith, nor even the growing concern about the the standard and cost of the long-term management of some developers' schemes. Dealing day-to-day with people who are trying to come to grips with a radical change in their lifestyle, he sees a danger that the effective marketing of specialist retirement properties could make these homes appear to be the logical option for those who can afford them, rather than just one of many different alternatives.

"People can be drawn into making the most expensive mistake of their lives, tying up their money in a move to a retirement property that they have unconsciously been directed towards, a bit like the old 'I retire, therefore I go to a bungalow by the seaside' kind of thinking." In Smith's experience, buying into a purposefully ageist community, where leaseholds include covenants restricting resales to occupiers under 55 years old, would not be ideal for many of his clients. Elderly people, he says "do not want to be incarcerated into groups of their own circumstances, condemned to watch the cortages of their late companions move out of their enclosed compound to the graveyard."

Few of the retirement homes schemes in Britain would justify that description. And it would be grossly unfair to view the mainly hamlet sized developments in or near shops and town centres as "old people ghettoes" any more isolated from the bustle of the normal age-mix of life then the residents want them to be. But at least Smith puts the infrequently aired case against a flood tide of salee material based on the unqnestioned assumption that retirement property is more than a welcome additional choice in the market.

There is now a fund of information available to help those who are not panicked by the shock of retirement into making e hasty decision on moving. The shortest route to finding out what purpose-built retirement homes are available is via a large sae to The New Homes Marketing Board, 82 New Cavendish Street, London W1 M 8AD. The Board maintains full lists of the developers, who are not backward about forwarding details of their schemes. A Buyers Guide to Sheltered Housing, costing £1 and published jointly by Age Concern (01 640 5431) and the National Housing and Town Planning Council, remains the single most helpful review. And Age Concern's slim book, Housing Options for Older People, provides an admirably clear overview of the range of possibilities.



SPECULATIVE builders were in the process of transforming much of London in the 1840s, when Henry Smith's Kensington estates were being covered in their familiar stuccoed terraces, and when the adjoining Thurloe Estate started to emerge as a site for grand town houses.

That was also when ten acres of land owned by the Alexander family - a site lying just south of the Cromwell Road, where the Victoria & Albert Museum now glares across the road at the Ismaili centre - was first planned as an estate that eventually extended to 146 houses and two mews properties.

Thurloe Square, SW7, designed around two acres of communal gardens by George Basevi, architect of Belgrave Square, was completed by the mid-1840s. When part of that site was acquired for a station that, in the event, was never built, 42 of the houses in the square were sold as independent freeholds.

Now, Cluttons (01-589-1122) and Knight Frank & Rutley (01-824-8171) are offering one of those freeholds, number 46 Thurlow Square, for £1.95m. The house (left) has been redeveloped and fitted by Belminster Developments as a six-bedroom, four-bathroom house complete with four-person lift, vast conservatory extension and staff flat.

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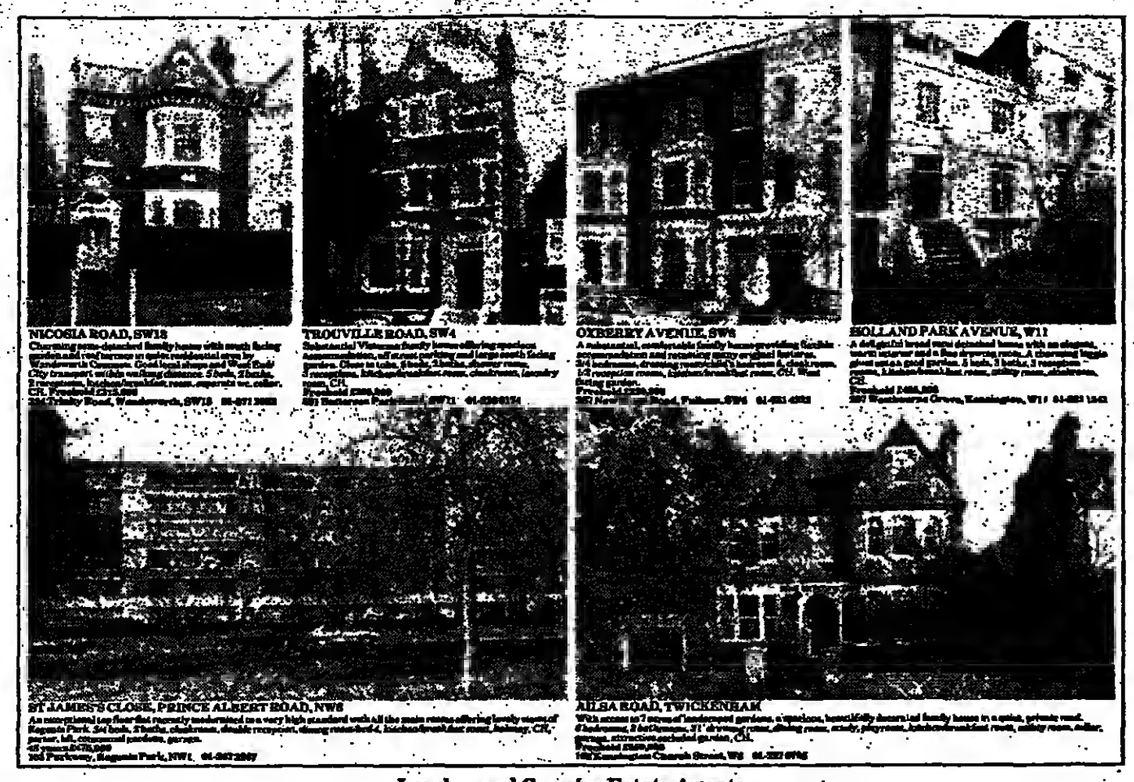

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· PROPERTY ·

John Brennan examines the choices available to older buyers

More options for the retired

THE LAST English House Conditions Survey showed that 43 per cent of "unfit" dwellings, and 55 per cent of homes lacking one or more basic amenities, are occupied by retired people. The obvious phenomena (that people's homes age with their occupants) emphasises an equally obvious replacement problem: that the people most in need of rehousing are often those least able to afford it.

Nevertheless, 50 per cent of people over the age of 65 now own their own homes; and even if that total were cut by half to exclude the owners of barely saleable, dilapidated properties, that would still leave 3.3m privately-owned households that could be traded-in to buy a more easily managed flat or house.

There is certainly no shortage of options available to those more than 3m prospective older home-buyers. At one end of the scale, the Country Houses Association (01-836 1624) provides its unique option of apartments in near-stately homes where everything, including meals, is laid on; and where the "purchase" price takes the form of an interest-free loan to the association from which a 3 per cent charge is made each year that the accommodation is held.

The English Courtyard Association (01-937 4511) sounds equally out of the traditional house-builder mould. Yet it is, in practice, the retirement homes management company of the straightforwardly commercial Geometer Group.

That said, Noel Shuttleworth's development schemes do live up to the image created by his management company's name. They are by no means cheap but the standard of design, and the care taken with their management, is sufficient to make ECA a company that other retirement home-builders often compliment.

Eleven years ago John McCarthy, now chairman of McCarthy & Stone, completed his first retirement scheme, received a vote of thanks from the buyers (an unheard-of response in any other area of the building trade) and switched the company over to building retirement property exclusively.

That was the real beginning of the sector in the UK; and more than 7,000 homes in 100-plus developments later, the group is the leading builder in this market. It now has a full range of retirement properties, from independent homes in small and medium-sized developments to larger schemes incorporating facilities for more intensive residential and nursing care.

Anglia Secure Homes, another retirement property specialist with a track record almost as long as McCarthy, is another of the companies pioneering the concept of making different levels of care available to occupants within the same development.

Several developers are now aiming to offer a mixture of independent, secure and nursing home accommodation on the same site; and as McCarthy & Stone and Anglia Secure Homes have proved, planners are beginning to be won over to the idea of communities that do not put extra strain on often-stretched local facilities for care of the frail elderly.

Still, the few hundred homes in the largest of these schemes are a *far cry from the 25,000 or more* units you would find as a matter of course in a purpose-built retirement community in Florida.

The nursing management commitment of these integrated schemes tends to make most traditional house-builders shy of trying to mix too much aftercare into their developments. But companies such as Wimpey or Alfred McAlpine Retirement Homes, both of which have shelves full of awards for their schemes, do work to make sure that their properties don't look as if they are off a standard production line.

In McAlpine's case, attention to the detail of its schemes includes what might be dismissed unkindly as sales gimmicks but which do fulfil real needs – such as providing a handyman for buyers just moving into their home to help in hanging curtains or putting up the pictures.

HAMPSHIRE "cottages" in the more popular commuter areas of the county tend to be substantially larger than their rustic equivalents further afield. Greenmount Cottage (pictured) at Shaldon, 8.5 miles from Basingstoke and a similar distance from the M3 motorway, is a good example of the type. It has three bedrooms, outbuildings, a double garage and a swimming pool in the garden. Lane Fox at Winchester (0962-69999) is looking for offers around £230,000 for the Grade II-listed house.

Explaining London

YOU MIGHT know your own particular stretch of London well, but what about the rest of the 119 post-coded districts that make up the sea of brick and slate from Chingford to Raynes Park, from Mill Hill to Eltham?

Even the average London taxi-driver would be hard pushed to give a sensible comment on the property in every single part of the capital (although that is unlikely to stop them from doing so). There are few estate agents with the spread of offices needed to provide an overview of housing, transport, schools, shopping facilities and all the other elements that go to make up all of London's residential communities.

In Where to Live in London 1988, published by Sidgwick & Jackson at £6.95, editor Elizabeth Vercoe has marshalled sufficient information about 390 of these residential areas to provide a highly effective reference for anyone thinking of moving to the capital. Perhaps its real appeal, however, will be to existing Londoners interested in looking beyond their immediate horizons to other parts of their city.

People who live in provincial cities often find it hard to understand just how unfamiliar Londoners can be about vast stretches of what is, ostensibly, their home town. Residents of Aberdeen, York, Bristol, or even Birmingham or Manchester, generally have at least a rough working knowledge of the outer reaches of their city.

But try asking anyone in Manor Park or Bloomsbury about Streatham or Camberwell and all you will get – unless they happen to be a cabbie – is bemusement. The "Where to Live..." formula should have strong appeal to the natives as well would-be settlers.

The book grades residential areas, and particular groups of streets within these areas, into prime, near-prime and "good for a gamble" districts on the basis of existing demand and trends to gentrification.

Property guide prices used to show the starting prices for most common types and sizes of homes in an area are based on September 1987 figures; and, while these prices necessarily are generalised, they do provide as near a guide to local values as you are likely to find in any London-wide reference.

It is an ambitious and useful project; and although there are one or two places where locals might argue that the research wears a little thin, it is a book that well deserves its publisher's credit as *the first independent* guide to choosing a London home.

J.B.

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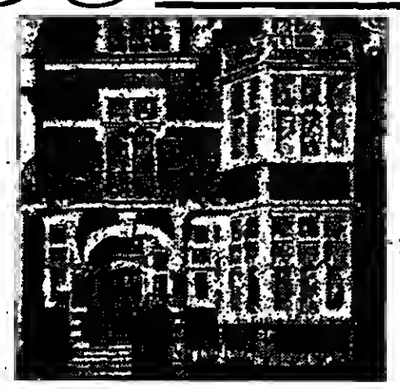

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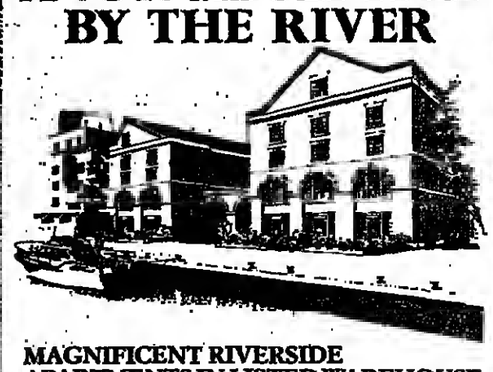

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Arthur Hellyer gets a surprise in Hertfordshire and **Peter Fort** vows to solve his carrot problem - with Arthur's help

The advantages of a few spare beds

SOLUTIONS TO garden problems are often found in unexpected places. A few days after chatting to FT food writer Peter Fort about vegetables in his London garden, I visited the kitchen garden at Hatfield House, in Hertfordshire. To my surprise, I found it laid out almost completely in narrow, brick-edged beds raised 10in above the ground.

The natural soil there is clay but the shallots, onions and other vegetables soon to be planted be growing in a lovely, spongy mulch of rotted manure, leaf mould and whatever else might be available to give the perfect texture and complete blend of chemicals essential to provide Peter – and all other gourmets – with that final touch of perfection they find missing so sadly in commercial crops.

The deep, narrow beds, no more than 5ft wide, have many advantages of particular interest to home gardeners. They need never be walked on, since every operation can be done from the surrounding paths.

These can be covered with paving slabs, gravel, concrete, asphalt or anything else that is convenient, and so can be firm and convenient to work on at all seasons. The beds sit well into the rectangular shape of most town gardens, and even in big country gardens can be combined in many tidily decorative ways.

Few gardeners, town or country, will have direct access to fully decayed manure direct from the farmyard, but processed and bagged manure of first-rate quality is now on sale at most garden centres. This can be bulked-up with home-made compost, peat, leaf mould and old mushroom compost, pepped up with fertiliser – if this is not considered a certain way to make the vegetables inedible.

My own heretic view is that fertilisers, chosen well and blended properly, actually improve flavour and nutritional value, bnt I am completely undogmatic about this. Scientifically, I believe the case has never been proven one way or the other – and probably never can be as the pleasure of eating is so highly personal.

Climbing beans and old-fashioned tall peas, such as Alderman and Gradus, love sunny walls or fences and look magnificent growing on trellises or wires. Trailing marrows and courgettes are nothing if not prolific, but marrows can be encouraged to be even more prodigal by being cut very young.

They can also be trained against walls or fences or over arches, from which they will dangle conspicuously as a reminder that they are there to be used.

Unfortunately, plant breeders have done their best to restrict choice of marrows for this kind of spectacular display by producing ever-shorter and more compact varieties which cannot be persuaded to trail, let alone climb. However, these bush types will look their best perched on deep beds.

There is just one problem with raised beds. However well made, and whatever the depth of rotting organic matter covering them, they will almost certainly need extra water during dry spells.

The best way to water is via a special porous hose that allows

water to seep out slowly and evenly. Cameron-type irrigation systems could also be used. Slow and prolonged watering is the ideal, so that it has time to soak in deeply without washing soil on to paths.

Quality in vegetables depends on rapid, unchecked growth. That means plenty of readily available plant food, which well-made deep beds are sure to supply; plenty of moisture; and also free passage of air through the soil, which is why vegetable beds must have good drainage to get the surplus water away. Vegetables that grow too slowly or spasmodically are usually tough and often bitter.

Not all the vegetables recommended by the cookery experts are suitable for growing outdoors in Britain. Some need more warmth than we can offer; many need more sunshine or are unsettled by the way in which our day and night ratios change during the course of the year. Temperature can be raised by covering beds with cloches, even such simple kinds as the polythene tunnel.

Day length is much trickier to control with artificial lighting and black coverings. For vegetables it is not really an economic proposition, even for professionals. Usually, the solution is to produce new varieties which respond better to temperate zone conditions.

That is precisely what breeders have done for such tomatoes as Gardener's Delight and Golden Sunrise, sweet peppers Ace and Early Prolific, and sweetcorn Early Xtra Sweet and Kelvedon Sweetheart.

Sometimes, the biggest problem is to know where to buy seed or plants or whatever is appropriate. It is unlikely that one firm, however good, will be able to supply the lot and a few may not be available commercially anywhere. Clubs or friends may be able to help, or a request for help may be publicised in a good magazine such as *The Garden*.

Here are the names and addresses of a few firms, the catalogues from which I always keep beside me for information of this kind.

Thompson and Morgan, London Road, Ipswich. An exceptionally comprehensive list, usually with specialities of its own. This year, these include two new carrots: Mokum, described as super-sweet and extra juicy; and Juwarot, said to contain twice the normal quantity of vitamin A.

Marshalls, Regal Road, Wisbech. Many good things to grow from seed and also first class for unusual potatoes like Pink Fir Apple and Manna; plants of asparagus, including the all-male Lucullus which produces no self-sown seedlings to lower the quality of the stock; and also planting crowns of sea kale.

W. Robinson and Sons, Sunnybank, Forton, near Preston. A very old-established firm and about the only one I know from which it is possible to buy seedling or young plants of pot leeks, blanch leeks, various onions, several different varieties of celery and celeriac.

Heritage Seed, Ryton-On-Dunsane, Coventry. This is a catalogue in which to look for old, high-quality varieties as well as some interesting new ones. A couple of pages are devoted to oriental vegetables.

John Chambers, 15 West Leigh Road, Barton Seagrave, Kettering. Known best for wildflower seeds but the catalogue contains a comprehensive selection of herb seeds, both culinary and medicinal.

Suffolk Herbs, Sawyer's Farm, Little Cornard, Sudbury. Despite the name, this is not a catalaogue for herbs alone. It contains numerous unusual vegetables including Oriental and Continental varieties.

Growing good vegetables leaves little margin for error. Robin Lane Fox explains on PXIX. Salad days: take a leaf out of Peter Fort's and Arthur Hellyer's books next week.

Towards a taste of the real thing

THE WALLS of warm red brick are 20ft high, decked with peach and nectarine and plum trees heavy with fruit. One greenhouse bursts with melons and cucumbers. In a second, vines and tomatoes grow in orderly profusion.

Espaliered apples and pears divide the cinder path from the neat beds edged with herbs and salad plants, where carrots and beetroots and broad beans are lined up ready for inspection. Here, the rhubarb spreads its parasol leaves. There, a bushy clutter of courgettes and marrows. Upturned pots mark the blanched sea-kale.

The asparagus beds have already gone to seed but the climbing beans are springing up their bamboo supports. There is the creak of the wheelbarrow, the rich reek of manure, and the whole scene is bathed in sunshine. If only the vision were true. All of us are born to an allotment, but some of us yearn for a true kitchen garden.

The truth is that I find myself peering out through a curtain of rain at a small, drab plot of brown, inert mud. Is it really going to possible to conjure anything out of this *soi-disant* kitchen garden?

Already, the battalions of slugs, snails, weevils and woodlice are massing along its frontiers, ready to fall on anything that shows its head above ground level. No one short of Arthur Hellyer, the FT's gardening correspondent, is going to be able to transform this patch of leafy Acton into the Garden of Eden.

And that is just what he is going to do. It was the idea ofthe powers-that-be. "It's time for another piece about your garden. What the keen cook is growing this year. That kind of thing. Then Arthur can tell you how to do it. Get in touch with Arthur."

You would think that two gardening writers were quite enough, even for the FT, without trying to turn your correspondent of trough and table into a third. At first glance, you might suppose that there's some method in this madness.

Peter Fort pens a mellifluous piece along the lines of Digging for Victory, and Arthur Hellyer does the where-you-find-them, how-you-do-it guide for duffers. On the surface that all seems quite fair and reasonable. On the surface, mark you. Once we get down to the bonemeal and compost, all is not quite as it seems.

To start with, when it comes to gardening I am not fit to pull off Arthur Hellyer's wellies. He is up there in gardening's pantheon of heroes. What would he think if he saw any of the miserable things purporting to be carrots that I grew last year?

More to the point, I discover that Arthur manages to keep seven acres of Sussex in a condition that would have Gertrude Jekyll gnashing her teeth in envy. I, by contrast, seem destined to fight a losing battle with the natural universe on a battlefield measuring 65ft by 45ft. There's a difference in scale and vision, if you see what I mean.

Well, there's no point in moaning. The days are passing and it's time we got something in the ground. But what? My tastes are

essentially conservative. Of course there's a place for pak choi and scorzonera and okra but, sadly, it won't be there this year.

Nor will there be space for potatoes, sweetcorn and all manner of staples on the ground of lack of acres. This year I am being modest in my ambitions. I am not going to be satisfied until I have solved the carrot problem. The carrot problem has a symbolic significance. It stands for the beetroot problem, the tomato problem, the lettuce problem and so on.

In short, I am looking for vegetables that taste of what they are supposed to taste of. I always feel that there's something missing from my vegetables. I am sure there are further steps towards vegetable perfection, but I don't know what they are. Part of the problem lies in our vegetable heritage.

Browse through most seed catalogues and you will come across innumerable references to size – mammoth this and gigantic that; the largest whatever in the world. Worse, these are invariably hailed as medal-winners. References to taste appear to have been added in as an afterthought. Clearly, size and appearance count for more than flavour.

In England, apparently, vegetables are grown like flowers, to be looked at but not to be eaten. Fruit and veg in the retail outlets suffer from the same treatment. As long as they look nice, it doesn't matter that they taste of very little.

But what is the point, I ask you, of growing vegetables if they are not richly redolent of themselves? Looking back at my records of last year, I come across comments like "disaster" with disturbing frequency. The melons, ridge cucumbers, sugar snap peas and carrots all came into that category. I won't be growing asparagus peas again, either. Very pretty in flower; absolutely tasteless in the mouth.

Not all was disappointment, however. I did have some triumphs. The climbing french beans will be getting a second airing and I am all in favour of the easy to sow, easy to reap, multiple-cut salad mixes like Saladini, Saladisi or Misticanza. I have hymned the radish before in these columns, and radishes there will be.

In the courgette line, I might experiment with an interesting little number called Tondo di Nizza and persevere with Clarella and Gold Rush. To the rare tomato successes of last year I will add Gardeners' Delight [spoken-of highly by my mother) and possibly Plumito, to provide the tomato purees for the closed season.

But it's back to the drawing board on carrots, and I am determined to have another crack at melons. Twiddling a paintbrush in the flowers while making buzzing noises like a bee to help along the fertilisation process is one of the summer's more rewarding pastimes. And, under Arthur's guidance, I might even get a chance to eat one of the melons this year.

Desirable diesels

DIESEL car-owners still are a small minority in Britain but we are no longer as oppressed as we used to be.

Oppressed? Well, if you wanted to refuel a diesel car 15 years ago, you found the pumps were few and far between and always tucked away in a filthy corner of the filling station where the lorries went. Every time you tanked up, you put your shoes and clothes at risk.

The pumps were designed to fill 50-gallon juggernaut tanks as quickly as possible and were ill-suited to the more modest needs of diesel cars. What did not go in the tank frothed over your feet.

It is all quite different today. More than one British filling station in three now has a diesel pump. They are nearly always on the same island as the petrol pumps, deliver fuel at a sensible rate, and are kept just as clean.

The price of fuel has stabilised, too. Generally, diesel is between 12 and 15 pence a gallon (say 3p a litre) cheaper than premium petrol.

Some garages expect a bigger margin on diesel and the price advantage could be only 10p or less. But others, especially those patronised regularly by taxi-drivers, cut the price to 20p a gallon (more than 4p a litre) less than petrol.

The cars themselves have been transformed. People who have not actually driven a modern diesel car remain convinced that they are noisy, smelly and sluggish. Those of mid-1970s vintage were all of those things but today's are anything but.

My own choice, the Citroen BX19RD estate (Britain's best-selling diesel car), runs at the tolerated 80 mph on a motorway as quietly as a petrol vehicle.

It returns 44-45 mpg (6.4-6.3 litres per 100 kms) week in and week out, despite many short trips and cold starts.

Last year, 93,233 diesel cars were registered in Britain, a 20 per cent increase on 1986. That was 5 per cent of total registrations and, this year, the total will go well over 100,000. Why is it not even higher?

The question is addressed in the first issue of a new monthly magazine, *Diesel Car*, now on the bookstalls.

It claims that, based on the experience of a 770-car fleet that went diesel in 1986, a fleet manager could save £1,000 a vehicle each year in running costs.

The savings come partly from lower fuel costs (about 30 per cent better consumption plus the price per litre differential). But lower depreciation, reduced repair costs and longer working life also come into the equation. In the magazine's view, one reason why fleets resist changing to more economical diesels is that executives fear they would have to drive them if the other ranks were made to. They really have no need to worry.

I cannot pretend that any diesel car – not even a Mercedes 300D or a turbocharged Audi 100, Citroen CX25DTR or Volvo 760 – can match the standing-start acceleration or top speed of a Jaguar or BMW. But they are urbane and civilised vehicles with more than adequate performance.

In practical terms, what is the difference between a theoretical top speed of 140 mph (225 kmh) and the 115 mph (180 kmh) maximum of the senior manager's diesel?

Even the clatter they make for the first minute after cold starting is much less noticeable than it used to be and can be subdued further by using a fuel additive.

I am now trying one supplied by the Ethyl Corporation. It takes away the hammer and anvil element from cold start knock, stops frothing when refuelling, and prevents filter clogging in very low temperatures if a car does not have an in-line fuel heater. (Many modern diesels like my Citroen have one, anyway).

There is even an additive that makes the fuel smell better.

PORSCHE has heeu going through a bad patch recently. Sales have fallen, competition (especially from Japan) has strengthened, and prices have risen to dizzy heights.

You have to be a dedicated Porsche buff to contemplate the cheapest 2.5-litre, four-cylinder 924S (pictured) at £21,498 when £18,651 buys a three-litre, six-cylinder, 24-valve Toyota Supra and a Mazda RX7 is a bargain basement £16,499.

It depends how much store you set on the Porsche badge, which symbolises a life style as much as it identifies a motor car (which, in the case of the 924S, has been around for 12 years. All Porsches are beginning to look rather grey around the temples. Still distinguished, but not of the present generation).

I enjoyed my week with the 924S, although not when I was driving it in town. Then, the top of the screen seems too close to a tall driver's head. The clutch pedal has a long movement and has to be depressed fully for a clean change. The gearshift feels meaty, not delicate, and there is quite a lot of shunt jerking in the driveline as you go from power-on to power-off in traffic.

But you start to see what you (or a grateful employer) have paid the money for when you get on the open road. The fat Dunlops that thump and bang at low speeds provide enormous grip and the 924S, driven enterprisingly, feels eagerly responsive, secure and quite refined.

A flick into third gear gives rapid acceleration from 40-60 mph (64-96 kmh) for safe, swift overtaking. The big four-cylinder spins smoothly up to high revolutions but pulls through villages at 30 mph unprotestingly in fifth gear.

The rear seats are not to be taken seriously and the luggage space, although wide, ie extremely shallow. Porsche now throws in a decent stereo radio/cassette. But a car costing close to £22,000 on the road really should have central locking and a tilt-adjustable steering wheel that lets a 6ft-plus driver see all the instruments.

Stuart Marshall

Michael Thompson-Noel watches hilltribe dancers and hears cautionary tales in Thailand

Beauties and perils of Upper Siam

WE WERE three men in a boat hurtling down the Mae Kok river in northern Thailand in a vermilion-hued long-tail: one of those slender-hulled motorcraft that whips you along with such panache and speed that after about three hours you believe you are hallucinating.

Life goes faster. The river skids beneath you. Cormorants and king-fishers materialise and vanish. You fly across rapids. Hills start to swivel. You imagine that you see elephants – some of them albino, others ghostly white: all of them royal property – cavorting in a jungle bathed in violet light. Temples blaze gold. The sun rears and plummets, and then turns to bronze.

A century ago Carl Bock, a Norwegian naturalist who had travelled widely in Upper Siam, dismissed the Mae Kok as little more than a mountain stream filled with boulders between which the water eddied gurglingly, making navigation difficult for his shallow canoe.

But a 20th century long-tail driven adventurously by one of the river's best helmsman – a taciturn youth with calculating eyes – transforms all that. Together with my guide I had boarded the craft at Tha Thon, close to the Burmese border, for the five-hour ride to Chiang Rai. Tha Thon slumbers quietly. There are shops and cheap guest houses, and you can buy cushions and silly hats for the boat ride ahead. I enjoyed a coffee in a "lounging den."

For the first 90 minutes of the ride everything passed serenely. Women washed clothes. Men cast nets. Girls shyly waved. Boys thumped things on rocks. Monks sat like stones, pondering the universe and the boundaries of thought. Heavily muscled labourers harvested gravel from the riverbed and a glitteringly-striped insect, like a tiny shining gunship, raced level with my eye for almost 2 kilometres.

We stopped at a riverbank police station to sign our names and then proceeded warily, though still at full speed, for it was on this next stretch of river that Jill Davis, a British tourist, and Damrang Wangkawee, a riverboat captain, were shot and killed by hooded robbers five weeks ago. Two other British tourists were injured in the attack.

The police have since arrested five Akha tribesmen on suspicion of involvement in the incident and have tightened up security on this stretch of the Mae Kok, so that long-tails carrying tourist groups are at present being escorted by rifle-toting soldiers.

This may comfort some prospective travellers. But if you are the least bit apprehensive, stay away from the river because as the afternoon shadows lengthen it can seem eerie and remote, and the spot where the killings happened – the river suddenly narrows, so that the banks and the jungle spring towards you – is made for an ambush.

In any case, vast reaches of northern Thailand are as safe as Berkshire and offer a splended backdrop to an entirely special holiday, particularly if you plan to trek in the major hilltribe provinces of Chiang Mai, Chiang Rai and Mae Hong Sorn. You can also lumber off on an elephant safari.

More prosaically but no less enjoyably, you can drive or be driven – using Chiang Mai, Thailand's principal northern city, 700 kms north of Bangkok and formerly the capital of Lan Na Thai (Kingdom of One Million Ricefields), as a base and a stepping stone.

The Tourism Authority of Thailand (TAT) office in Chiang Mai says that the average cost of locally-arranged trekking tours should range from about 500 baht (£11) for two days and a night to 1,600 baht for seven days and six nights. An elephant safari costs from 1,600 baht for two days and a night to 2,200 baht for four days and three nights.

Anthony Browne

The TAT office also dispenses a fund of advice. For example, it warns tourists against exploring the hilltribe regions by themselves as the ruggedness and size of the mountain areas prevent TAT from closely controlling them. Lists of officially-registered trekking companies are available in Chiang Mai, and you can ask the tourist police – that is what they are called – for reports of problem companies. And check that the tour company reports your itinerary and destination to the police.

Even more fundamentally, TAT cautions that some companies may encourage or offer tourists a sample of opium, a peek at a heroin caravan or a trip into Burma. "These sound very exciting but any of these can be dangerous for visitors and TAT urges you to remember that these acts are also illegal. Use your common sense. Don't take any unnecessary risks, thereby spoiling your holiday."

I did not have time for trekking. Nor did I lurch off into the lower extremities of the Himalayan foothills atop an elephant. What I did do was while away a memorable hour at the Young Elephants' Training Centre at Chiang Dao, north of Chiang Mai, on the way to Tha Thon to catch the long-tail. The camp is on a bank of the Ping river – as beautiful, at this spot, as a tributary of the Loire.

I love elephants. Elephants love me. We get on famously. But I did not learn much from Manas Yavira, owner and manager of the training camp, with whom I chatted briefly. After less than a minute he took out his wallet and started counting his money, not because he wanted paying but because counting your money is such good fun.

I nearly counted mine, but was worried about offending my guide, a sensitive 24-year-old who was already perplexed that our progress through the jungle was not being marked by the clatter of typewriters or the sending of telexes. "How's the news desk?" he would ask, like a Tom Stoppard character. His favourite rallying cry was: "Here's a good news bit!" – usually meaning another important temple or handicrafts centre.

Later, in a Karen village, I saw a painted sign. "Good news!" it said. "We have good elephants to take you for good and joyous rides around the vicinities!" "*That's* news," I said, like the other Stoppard character.

What I *did* learn at the training camp was how much like elephants we really are. The life story and career pattern of a typical working Thai elephant is described like this:

1-2 years. Stay with mother.

3-5 yrs. Primary training.

6-10 yrs. Secondary education in the elephant training centre.

11-15 yrs. Work in the forest (light jobs only).

16-38 yrs. Mature. Does hard work.

39-50 yrs. Approaching maximum ability and starting to fade slowly.

51-70 yrs. Capability declining.

71 and older. Retirement.

I greatly liked Chiang Mai, which has enough temples to last you to Christmas – notably, and most beautifully, Wat Phra That Doi Suthep, built in the mountains atop which Thailand's royal family maintains a winter palace. The temple'spagoda houses Buddhist relics.

Chiang Mai boasts a justly famous night market. Almost as crowded was the cultural centre where I was taken (against my better judgement) for an evening of hilltribe and classical northern Thai dances. I sat on the floor and ate some rice. First came the fingernail dance: some absurdly pretty women waving their fingernails.

For the dance of the magic fowls – "part of an ancient tragic opera" – I studied the printed programme, where I discovered that the action takes place "near the end of the feuding period when the heroines, two sister princesses, love the hero, Phra Law, the king of the other city, from afar. So they ask a very powerful sorcerer to cast a spell to bring Phra Law to them. The spell appears as beautiful magic fowls to lure Phra Law to follow them to the princesses' city, to passionate love, and to the dooms of these three lovers by the command of the heroines' vengeful step-grandmothsr because her husband, the heroines' grandfather, was killed by the hero's father in a battle. The deaths of the lovers shock the two cities into reconciliation."

By the time I had read that twice the dance of tha magic fowls was long since over and we were embarking on the candle dance, "usually performed in the dark or during nighttime."

I returned to my hotel, the Dusit Inn, where I sat in ths lobby listening to a melancholic pianist and attempting to engage in conversation a woman who had stepped, at that precise moment, from an Anita Brookner novel. She was vulnerable, quivery, fiftyish and frocky, with indigo shadows beneath her eyes. She had very nice shoes. I tried to interest her in elephants but with women like that it can be all uphill.

Far less reticent was a person in the coffee shop who introduced herself as "tha mother-in-law of the Opposition leader in South Australia," which would make her a name to conjure with in Vegemite Land. She had "lost" her husband some while ago, and was now a compulsive traveller. I asked her if she was snjoying northern Thailand. "I'll say," she said. "Mind you, the streets are filthy dirty. It's not a bit like that in Adelaide. But it's just like they say. Travel's an education. Seeing is believing."

● I travelled c/o Thai International and the Dusit Thani Hotel Group. Thai International starts a once-weekly non-stop London-Bangkok service on March 27. The current low-season round-trip PEX fare is £569; the high-season PEX fare (June 16-September 30, plus December and January) is £659. Reservations: Tel 01-499-9113. Dusit operates up-market hotels in Bangkok (Dusit Thani), Chiang Mai (Dusit Inn), Phuket (Dusit Laguna Resort) and Pattaya (Dusit Resort). Details: Tel 01-834-4206.

In London, the Tourism Authority of Thailand is at 49 Albemarle St, W1X 3FE. Tel 01-499-7679.

Roger Beard on a spring visit to Valsesia in the Italian Alps

Valleys of a forgotten race

ONE AND a half hours' leisurely drive north-west from Milan's Malpensa airport lies Valsesia, that remote region of the Italian Alps closest to Monte Rosa and the highest peaks in Europe.

You might just know it from winter skiing, although the terrain is too rugged for any but the dedicated, or from climbing some of the most demanding faces that particular fraternity has ever attempted. In fact, Valsesia is no place to visit in the depths of winter. It is at its best in April, when the snows and the glaciers have melted to feed the torrents of its three valleys and the early sunshine brings out the flowers which have rightly made this part of Piedmont both a regional and a national park.

Then, the villages and townships come into their own as high alpine communities of a unique character, some perched above the valleys, some in them, but both exhibiting an architectural style far more German Swiss than Italian.

For this is the land of the Walser, the lost blond race that migrated from Switzerland through the high alpine passes in the 16th century, came to the edge of the mountains, looked over the flatlands of the upper Po valley, and decided to go no further.

They built their churches, very early Baroque and frescoed with such enthusiasm as to make them the horror comics of their generation. More spectacularly, ths Walser built their houses high, wide and handsome, up to four storeys tall, and entirely of wood.

Each floor is balconied and each balcony has an outside ladder leading to the next. They are devoid of the carving and decoration beloved by the other European Alpine communities. As you climb the floor from the plains and into Valsesia's valleys, your first Walser house tells you that you have arrived.

To reach that point, it is easiest to follow the Milan-Turin motorway as far as the Novara turn-off, and take the third turning north towards the wine town of Ghemme and Borgosesia. At Borgosesia, where the Sesta river runs across a broad valley and the one-way system is a nightmare, look for the road sign to Varallo.

Alternatively, take the road from Malpensa towards Lake Maggiore, and follow the western shore as far as Arona, where you look for a left turn to Gozzano, which will bring you the pretty way through to Borgosesia, itself a dull town best left quickly behind you. In contrast, Varallo, with its elegant main square, tight mediaeval streets, museums, smart shops, and specialist alpine library, is the perfect centre from which to explore Valsesia once the snows have melted. And in addition, the town is dominated by one of the most important religious sites in Italy.

That is where it all begins – at Varallo's precipitous Sacro Monte, where 43 chapels dating from the late 15th century onwards lead you up to the reconstructed cell of San Carlo Borromeo, considered by the present Pope to be a saint worth visiting.

Varallo, though, is just the start. As the road rises above the town towards the peaks, spinning right, one after the other, come three small valleys – the first pointing towards Rimella, the second towards Rima and Carcoforo, with the main valley heading up the slope to Monte Rosa and Alagna Valsesia.

All three valleys have a totally different character. Val Mastallone hairpins upwards through several small villages to Rimella, built vertically into a horseshoe of cliffs at an altitude of over four thousand feet. The view is spectacular, the church has as many paintings on its outside walls as Venetian ones have within, and there are two hotels where you can stay.

Lower down that same valley, at Cervatto, looms a massive crag dominated by an ornate 19th century schloss recently converted into flats, with a view that takes the breath away.

Val Sermenza, the second valley, has a character all its own. At the top of one fork is the holiday village of Carcoforo, and on the other, Rima, a very different kettle of mountain trout. Carcoforo is the closest you will come in Valsesia to a ski resort, with its flat site, large square, and hopeful ski lifts. But if you are looking for visual impact, head for Rima.

Rima is almost totally Walser. At some stages, the road to it is under six feet wide, rises to a hump, disappears to nowhere but oblivion, and then comes back under your wheels like magic. Just before you arrive at the village, there is a small parking space on the right which leads to the town dump. Use it. The narrow lanes between Rima's wooden Walser houses are too narrow for all but the smallest cars.

Continue forward and you will be confronted with a set of black-timbered houses which are as Walser as those at Carcoforo are SkiChalet, though the former cost a deal more to buy and are almost impossible to rent.

The third valley ends at Alagna Valsesia, travelling on up the same road through Campo Rosso and several similar villages, where the gable ends of the public buildings and churches are covered in murals in full pastel, but the houses themselves are unremittingly etark, unadorned Walser.

Alagna is the jewel in the Valsesian crown. A spit and a vertical kilometre away lies Zermatt, the climbing centre of Switzerland, from where the blond Walser originally trekked their way to Italy.

You can hold hands across the balconies which overhang the main street of Alagna much as the Walser must have done, before you visit the museum which shows you how they dressed, ate, and lived. They kept their cattle and other stock on the ground-floor of their unique houses, and lived on the top three.

They moved their herds up and down the mountain slopes according to the season, disregarding national boundaries, dressed like early American immigrants, spoke German or at least a dialect of it, and then disappeared for ever.

What they left behind were the valleys which sing with water in the Spring, where the marmots whistle, and the flowers paint the rocks with colours mixed with a saint's palette.

● To reach Valsesia, fly/drive using a regular agent such as Pilgrim-Air (01 687 5333) to Milan or Turin.

BRIEFING

Down under

A HOTEL with a difference has opened in the outback of South Australia. The Desert Cave Hotel in Coober Pedy is built into a hillside and 19 of its 44 suites are underground. The area is in the heart of Australia's opal fields where miners traditionally escaped the summer heat of the outback by living in elaborate underground homes. Prices start from A$56 a night. Tel: 0106-186-725-688

●

A RAILWAY tour of US cowboy country is offered by Ffestiniog Travel, an offshoot of the narrow-gauge Ffestiniog Railway in North Wales. The 17-day journey, which starts on June 8, includes two steam railway rides in Colorado and a visit to the Grand Canyon. Prices start from £1,385. Contact Ffestiniog Travel, Porthmadog, Gwynedd, LL49 9NF, Wales.

●

A GOURMET holiday in China has been launched by Jade Travel. The 18-day, seven-centre gastronomic odyssey explores the regional variations in Chinese cooking. The cost is £2,000. For further details tel:(01) 734-7726.

●

RAMBLING has suffered from a faintly suburban image redolent of woolly hats, thermos flasks and Home Counties heartiness. Not so the programme offered by Ramblers Holidays, which includes a 24-day trip to the jungles of Papua New Guinea. Among the highlights is a dawn ascent of Mt Wilhelm. Accommodation includes village homes and a bush camp. The cost is £2,526. Tel:Welwyn (0707) 331133.

Annalena McAfee

Trials and errors

Vegetables leave little margin for mistakes, says Robin Lane Fox. Alpine plants are much better

DO NOT feel guilty if you have never grown good vegetables. Nor have I. They leave little margin for error; they go on trial before visitors, even visitors who know nothing about gardening; and they need a clean, dry piece of ground that you can trust.

My gardening has error built into it and there is something about my ground which is either too shallow or too heavy and infested with impossible weeds. Salad gardening, on stony ground, approaches masochism. I will not be cutting a vegetable plot out of my new area of garden; instead, I will consolidate forces nearer the house and stick to the plants which suit me best. Stony ground is a virtue if you decide to grow alpines and buy in the lettuces all summer.

I would hate salad gardeners to have things all their own way. Alpine plants have such contrary virtues. They are hardy, they last for years, they suit any garden – however small – and they allow you to walk the happy path of connoisseurship. Most of them are really quite easy; they do not bolt, crop or succumb to pigeons while you are taking your holiday. If they go wrong, nobody goes hungry. There are no recipes for rock jasmine and encrusted saxifrages.

Nonetheless, gardeners are much more scared of alpines than they are of vegetables. Really, we should re-name them "small hardy plants," because so many of our alpines have never seen an alp or high mountain. They come from meadows, hillsides, woodlands, and even house-tops.

We are still hidebound by the old idea of rock gardens. Almost all the rock plants will grow just as well in open flower beds, especially if a high proportion of gravel is mixed into the surface of the soil. They call for just as much colour sense, use of contrast and careful placing as the big border plants which define most artists' ideas of a garden. The old ethos of the rockery still prevails too often: one of this, one of that, dotted about like pin-cushions with a label to remind the owner of their names.

The next three months may convert you. Until late May, small hardy plants are at their best. While the salad gardeners are putting on a brave face you could be enjoying the yellow Adonis, marvelling at pale blue Hepaticas or hoping for ink-blue flowers on the gentians. Where, however, do you go to find them?

Alpine plants encourage shrewd shopping. In the past few years, nurseries for this type of plant have multiplied and it is no use living on memories of the 1970s. A sensible first step is to join the Alpine Garden Society for seeds, bulletins, nurserymen and friendliness: apply to Lye End Link, St John's, Woking, GU21 1SW, for the categories of membership which range modestly from £12 a year. Then, build up a list of suppliers. You might find these suggestions helpful.

Much depends on your soil and local climate. If you can grow azaleas and have acid soil, I would apply first to Jack Drake, Inshriach, Aviemore, Inverneshire, one of the oldest growers whose list still contains some unimaginable beauties. S.V. Bond, Thuya Nursery, Glebelands Hartpury, Gloucestershire, and Graizelound Nursery, Graizelound, Haxey, Doncaster, are also excellent hardy growers, strong on lime-hating stock.

Reginald Kaye, Silverdale, Lancashire, is very strong on saxifrages and sells plants from a cold, bracing setting. Southcombe Nursery, Widdicombe-in-the-Moor, Newton Abbot, Devon, is about 1,000ft up on Dartmoor and offers a good range for growers in the south-west. For all soils, Washfield Nursery, Hawkhurst, Kent, is a connoisseur's source, having inherited plants from many keen collectors and predecessors.

There are two good suppliers in the Pennines which cannot disappoint you with half-hardy stock: P.J.Foley at Holden, Bolton-by-Bowland, Clitheroe, Lancashire, and Hartsida Nursery, Alston, Cumbria, which is particularly strong on primulas and rare primroses.

Above all, alpine growers like to plan next summer's travels to coincide with nurseries that will not supply by post. Parker-Jervis, Martens Hall, Longworth, Oxfordshire, sells a marvellous range of rare plants, strictly to callers only. Best lewisias and some of the best agriculas have to be collected from Ashwood Nurseries, Greensforge, near Kingswinford, near Kidderminster.

I mention these suppliers, a few among many, to encourage you to hunt around. Do not begrudge the time, let alone the hours away from looking after the broad beans. As you to-and-fro in your van, there are plenty of pick-your-own farms that will enable you to stock up with all the routine vegetables you would otherwise be without.

Britain's neglected canal system is back in the news, reports David Bolton, while Sally Watts visits a new boating museum

A current of change in our waterways

THE GOVERNMENT'S privatisation plan for the water authorities has produced an interesting development in the proposal to create – for the first time – a new public sector body with sole responsibility for our rivers, the National Rivers Authority. Potentially, it could have a far-reaching influence on our inland waterways.

Over the centuries control of rivers has been with a variety of local boards, necessarily mainly concerned with flood and pollution, until most of them were brought under the more embracing tentacles of the water authorities. Under privatisation, plans for which enabling legislation is going through Parliament, there will again be a split in functions.

The National Rivers Authority – a steering committee should be announced shortly by the Government – is being given the immense task of taking responsibility for water resource planning and control, including leisure and navigation use. It will be funded largely by the Treasury.

To anyone concerned with inland waterways and our river heritage, the setting up of a national authority offers a chink of hope that it may react more positively than the water authorities in supporting schemes to fill in the missing gaps of the English and Welsh navigations.

There are five key points – the missing links – where restoration of former navigations would have an immense effect in reopening and extending our inland waterways, making available fine parts of the countryside to different types of boats and an even greater number of people.

With some some 3,000 miles of waterways, Britain has the third longest interconnected network in Europe, yet in no way can it be described as a system.

Rivers, of course, were used from time immemorial as early transport routes; most of the canals were built in an incredible 60 years of the late 18th/early 19th centuries to provide cross-country connections.

Each section of canal was locally funded to meet particular regional needs and conform with existing design of craft, but this means endless frustrations for today's leisure boater who would like to travel across Britain from Godalming to Lancaster, Cambridge to Llangollen. Work on the five missing links (and there are other less important ones as well) would go a long way to solving this problem.

One of them, the Kennet and Avon canal, is close to long-awaited success. Closed for the past 40 years, the slow, steady effort of volunteers is expected to reach fruition by 1990. Then, the broadbeam route from the Thames at Reading to the Severn at Bristol will be reopened, passing through glorious Hampshire countryside and descending the magnificent Caen Hill flight of 29 locks towards Bath.

This could be matched by a more modest scheme to build a lock on waste ground outside Warwick to connect the Grand Union with the river Avon, thus providing an alternative broad-beam Thames to Severn route. The river Avon is already used by small craft between weirs so that minimal engineering work is needed to make the river fully navigable between Warwick and Stratford, though at present the plan seems to be deadlocked by minor local opposition.

Elsewhere, especially in the north, local authorities have had a significant change of heart about waterways. They are now recognising their environmental and leisure benefits and their role in job creation, whereas formerly they were viewed as dangerous backwaters suitable only for in-filling as car parks for supermarkets.

One of the saddest losses in the 50s to 60s was the Lancaster canal link to Kendal and the Lake District; destroyed piece by piece, the beautiful Lancaster link sweeping above Morecambe Bay was itself threatened, though eventually some 40 miles were saved.

Now, Preston and Lancashire councils are strongly supporting the plan to create a natural link with the rest of the English network. It involves a nine-mile section, crossing the river Ribble (a traditional shipping channel) and connecting with the Leeds and Liverpool canal, again a broad-beam one.

A similar, though more ambitious plan, to revive navigation of the higher Severn, once Britain's greatest waterway, from the present official limit at Stourport to Welshpool has so far failed to win much support from local authorities, despite studies by engineering and economic consultants confirming both its feasibility and tourism benefits.

The real pressure for this scheme should happen now that the enabling Act of Parliament has just been passed to restore the Montgomery canal. In this case, British Waterways Board has taken the lead in setting up a consortium of Welsh authorities committed to spending some £1m on reopening this branch of the Llangollen which terminates at Montgomery - unless the link with the Severn can be revived.

Even so, none of these missing links has such potential impact as the one between the Great Ouse and the Grand Union at Cosgrove, north of Milton Keynes.

The vast expanse of East Anglian waterways from Bedford to Kings Lynn, including such jewels as Ely and Cambridge, is effectively cut off from the rest of the country. The only existing link is at Peterborough – itself several hard days journey down the Nene – where a single lock prevents the passage of boats longer than 46 feet (compared with the traditional English narrowboat length of 70.)

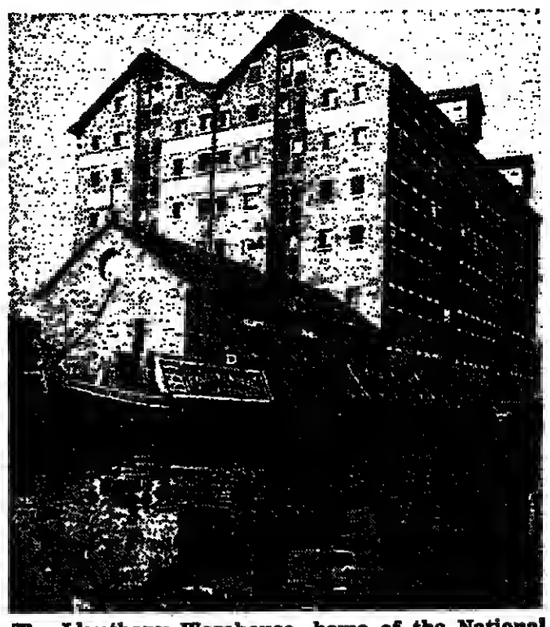
Ironically, when the original Grand Junction canal was first built at Cosgrove, it descended and crossed the river Ouse before an aquednct was constructed over it. Restoration of navigation to Bedford was achieved a few years ago, yet there has been no further progress up river since.

The common factor to each of these missing links is that they involve river navigation - and the existing water authorities have a poor record in this respect. The National Rivers Authority is being set up specifically to ensure that environmental control of the rivers is retained within the public sector; yet, at this early stage, the signs on the navigation front are far from encouraging.

The Government's consultative paper commits the NRA to little more than taking over the existing navigations of the Thames, Anglia and Southern; apart from eloqnant bnt noncommittal expressions of public interest, there is no directive to stimulate an initiative from NRA.

Even so, the national picture is going to be altered significantly. The formation of NRA, in some ways complementing BWB, means that for the first time one single public authority is charged with responsibility for this vitally important part of our heritage. It has the potential to be the catalyst of change which would solve the missing links of our waterways.

David Bolton's account of travelling around the waterways, Journey Without End, was published last autumn (Methuen £9.)



The Llanthony Warehouse, home of the National Waterways Museum, with the traditional narrowboat Northwich moored in the foreground

Old tales from the riverbank

A NEW national museum is in the making in Gloucester's dockland. The National Waterways Museum opens on Good Friday, April 1, with a floating exhibition moored alongside.

A major part of the exhibition will recapture the working life of canals from the time of the Industrial Revolution. The museum occupies three lower floors of the listed, seven-storey Llanthony Warehouse, built in 1873 and once used for grain storage. Visitors enter the display area through a lock gate.

The exhibition goes back to the construction of the first canals and much further; our rivers have been in use since Roman times, so the oldest exhibit is some Roman piling used to stabilise the river bank. In the heyday of canals there were 3,000 miles. The start of the canal system in the mid 18th century, gave many their first chance to travel long distances and transport heavy goods.

In the early days a largely sceptical public ridiculed the concept of artificial waterways. Perhaps this was not so surprising – of the two men who pioneered England's inland navigation, the Duke of Bridgewater was said in his youth to be intellectually feeble, and engineer James Brindley had only a limited education. However, the duke, something of a recluse, spotted the possibilities of canal traffic and in 1755 commissioned and paid for the Bridgewater Canal to move coal to Manchester from his collieries at Worsley.

It was opened six years later and Brindley designed the remarkable Barton Aqueduct for it.

During the next 50 years or so most of Britain's canal network was completed. In 1793 the first large share issues were offered and, as canal mania grew, building company shares found an eager market. Speculation was rife; fortunes were made, and lost.

For boat families, plying the canals was a way of life with its own customs, crafts, dress and language. Visitors to the museum can see how they lived, their work and domestic equipment. A canal company office has also been re-created.

Part of the structure for the new museum was delivered by the last working barge on the Severn, and another barge, Sabrina 5, is part of the floating exhibition of historic craft moored in the Barge Arm. There, cargoes were once transferred from sea vessels for the journey up-river. Also on show will be a narrowboat (1934), the graceful "butty" boat Northwich (1898) and a steam dredger (1927), in use until 1982 and now fully restored.

The main display also includes a tug, an elegant mahogany river launch, a Foden steam engine that once winched boats up a slipway and a railway engine that moved trucks from wharf to generating station.

Prince Charles officially opens the £3.5m museum this summer and in the coming months there will be audio-visual programmes and computer games encouraging visitors to design their own canal.

The museum is funded by British Waterways, which owns the docks. It is hoped that it will be the catalyst for a development scheme by Pierce Ltd, of Bristol, to bring new vitality and housing to the area, with shops and cafes built into the lower floors of the vast Victoria warehouses, many of which are listed buildings.

National Waterways Museum, Llanthony Warehouse, Gloucester Docks, Gloucester GL1 2EH. Tel: 0452-25524. Open during British summertime from 10am to 6pm daily. Special activities for children; lifts and ramps for disabled visitors.

Join us - or die!

Abina Russell on the only woman ever to become a freemason

Elizabeth St Leger, who died in 1775

ONLY ONE woman was ever initiated into the mysteries of the all-male freemasonry – Elizabeth St Leger, who became the Hon. Mrs Aldworth, "The Lady Freemason." She was the fourth child and only daughter of Arthur St Leger, first Viscount Doneraile of County Cork.

In 1712, when only 17, her father held lodge meetings at the family mansion at Doneraile. One afternoon, while reading in the library, she fell asleep. Waking as daylight was fading, she heard voices in the adjoining room.

Room renovations were being made and bricks removed from a dividing wall had been replaced loosely. She extracted enough bricks to see what was happening and was held spellbound at the sight of an initiation ceremony.

It was not until the solemn responsibilities undertaken by the candidate were reached that she realised the seriousness of her action, and the danger of her position.

In panic she rushed to the hall, but her escape was cut off by the Tyler (the outer guard who stands outside the lodge door with a dagger). He was also her father's butler and, seeing him with a drawn dagger in one hand and a light in the other, Elizabeth screamed and fainted.

Confronted by the young mistress of the house, he also was overwhelmed, torn between loyalty to her and to his lodge. Loyalty to the lodge had to prevail, so he alerted her father and the other members. She was revived but placed under the guard of the Tyler and one of her brothers in the library from which she had fled. The lodge reassembled and consulted on a course of action.

Elizabeth was asked to disclose what she had seen and heard. It was decided that she would have to pay for her folly with her life. For two long hours, she listened to angry discussions as her death was proposed and seconded.

Eventually, it was resolved to spare her, giving her the option of submitting to the masonic ritual which she had just seen and which had frightened her so much. Now, although exhausted and terrified by the debate, she accepted.

She was initiated as the "first and only daughter of the craft."

Three years later she married Richard Aldworth, squire of Newmarket, County Cork. She carried out her masonic duties, showing a deep veneration for the craft and always speaking of it with great caution.

Her masonic apron was made of white sheepskin lined with blue silk and edged with blue ribbon. Of unusual size, 34in by 28in, the apron has been kept in a glass case at Doneraile Court, where Elizabeth was initiated, and can be seen to this day.

A special masonic jewel bearing the symbols of the level and square, among others, was worn by her and has been passed down to her successors. An oil painting in the dining hall of Doneraile Court portrays her as a woman of strong character. The shoulders and bosom are broad, the mouth and chin determined, and the nose long and straight.

Although masonic organisations and lodges have since admitted women as members, they have not been initiated in accordance with the rituals of the grand lodge of England and are not recognised by it. The Hon. Mrs Aldworth, remains the only lady freemason.

A white man's dream

DESPATCHES · Lagos ·

"HOTEL CHAINS have ruined Third World travel," a friend moaned to me some days ago after returning home from an overseas trip. "It's all the same whether you're in the Sheraton in Quito or the Inter-Continental in Kuala Lumpur. The rooms are furnished identically, the receptionists all give you the Californian have-a-good-day routine, and international cuisine is confused with food that could come from anywhere. One might as well not be in any particular place at all."

Well-travelled as he was, my friend obviously had never stayed in that last, undefeated pocket of resistance to hotel standardisation, the Holiday Inn in Lagos.

The Eko Holiday Inn on Victoria Island in Lagos might be accused of many things – of slightly grubby and paw-marked rooms, of warm drinks and cold soup, of hotel laundry with staples left in unmentionable places, just to name a few. But one thing of which it cannot be accused is allowing guests to think they might be anywhere but Lagos.

The spirit of this tough, vibrant, clamorous city cannot be ignored, even in Lagos' most protected precincts, and it simply refuses to be held back at the gates of a mere hotel. Like an overgrown, undisciplined puppy, Lagos bounds into the lobby of the Eko Holiday Inn, sending management dictates flying and here and there leaving small messes which everyone prefers to ignore. As in Lagos generally, the effect is one of 24-hour animation and disorder.

Life at the Eko centers around its palm, banana and hibiscus-surrounded swimming pool. Its open-air bars and restaurants are a favourite meeting spot, not only of hotel guests but also some of the flashier movers on the city's social scene.

All the usual emulations of tropical paradise are here. Soft music floats over the pool's blue waters. Humid sea breezes rustle the palm-frond parasols sheltering slumbering bathers. Huge baskets of hanging flowers trail mauve and orange blossoms. Nigerian cooks in French chef hats slave over blazing outdoor charcoal grills. Waiters in scarlet livery move from table to table. Their faces are marked frighteningly with tribal scars resembling cats' whiskers, but they arrive bearing brightly-coloured drinks dressed with lemon zests and miniature pink Japanese parasols. It is a white man's dream of Africa.

Not all the characters scattered round this pool-side paradise are wholly angelic, though. Take, for example, the armies of Nigerian, Ghanaian and Cameroonian girls who use the Eko as a convenient hunting ground to pick up available men.

No creatures of the evening, these often-attractive women – many of whom use the Eko to supplement incomes from offices, banks and shops – are as likely to sidle up and proposition you early in the morning as late at night. Should their offer of more involved activities be refused, they seem just as happy to sit around with hotel guests for hours, discussing their children, their boring jobs or the weather.

If you happen to stir out of your room during the wee hours, however, their more professionally-minded sisters skulking in the corridors and lobby are just as likely to wrench off your arm as take no for an answer.

The Eko is a temporary refuge to many kinds of people: paunchy, beer-guzzling British engineers in town from up-country construction projects; Latin gigolos in bikini swimming briefs and gold medallions; horsy VSO girls with straw sun bonnets and bristly legs; and thin, grey, Eastern-bloc technical advisors on holiday (always dead give-aways because of their invarisble heavy-sock-and-sandal footwear). There are also Nigerian businessmen, dressed colourfully for the heat in traditional loose, flowing garb who seem to spend much of their time arguing about crooked contracts.

Out in the lobby, things are no less animated. Nigerians have a great reputation for excitability and aggressiveness. One hears, however, that their bark is generally worse then their bite, which is a very good thing given the barking that goes on at all hours here between touts, taxi-drivers, black-market money-changers and assorted hangers-on.

Occasionally, the scena becomes distinctly sinister when a car-load or two of Lagos' notorious anti-crime unit policemen swagger in. Wearing grey uniforms and black berets, and toting ugly, snub-nosed automatic weapons, they are reputed to start more violence in the city than they stop. They are given a wide berth by miscreants and law-abiding citizens alike.

Lagos' reputation as a violent and crime-ridden city is borne out daily in its newspapers. Just up the road from the Eko, at the Bar Beach market, you can buy quaint little nativity-scene-sized, carved representations of the public firing-squad executions that in the past have been Sunday attractions on Bar Beach. The Eko is not quite as rough as that, but the demeanour of the gorilla-like security men at the door of the hotel casino is an indication of the assaults and robberies that take place from time to time.

A different set of denizens inhabits the casino. There, in a vast room that is crowded, noisy, and smoke-filled from ten o'clock in the morning onwards, some of Lagos' wealthiest citizens while away the hours in front of roulette and blackjack tables.

The tables are popular with the city's many Middle Eastern businessmen, who seem to use them as rather expensive stages for male bravado. The winner is not the player who picks the right numbers but the one who, win or lose, throws down the largest wad of money with the most disdainful flourish of his heavily-ringed fingers. There is also action for smaller fish at the the casino fruit machines, monopolised by very large, middle-aged Nigerian ladies equipped with strong right arms and plastic buckets of coins.

Like Lagos itself, the Eko is at turns elegant and shoddy, well-mannered and boisterous. The variety and constant surprise both hotel and city provide can be pleasant and, when things fail to function as they should, infuriating.

Perhaps somewhat perversely, visitors returning to Lagos rarely fail to check back in here for a second time. Certainly, the Eko is a favourite for foreign journalists in town. They may not find the standardisation they would in Quito or Kuala Lumpur, but where in the world could £26 a day buy so much else?

Nicholas Woodsworth

1926 and all that

Country Notes

I HAVE LEARNT to be cagy when asked to make a long-term weather forecast. Some persist in asking, especially those who know that I have been measuring rainfall and studying weather patterns for over 60 years. Patterns there certainly are, but they never coma together to make an intelligible, reliable picture.

In giving up making long-term forecasts, the Met Office was having to admit that Britain's weather is unpredictable. This does not prevent the professionals, or the rest of us, from having a peculiar love-hate relationship with our climate. Not for nothing has it been termed a jade, and jades in human form are vagarious and unpredictable.

What has been of particular interest to me, as a landsman, is to detect a sequence. Does a hard, Continental-type winter, for example, presage the warm summers they usually enjoy in, say, Eastern Europe? Or is it likely that a long, wet spell will be followed by a drought?

The first three months of 1929, for instance, were dry and mainly cold; I measured no rain at all in March that year, but no balance of rainfall was restored until late October. Much the same thing happened in 1947, but the latter half of 1946 was wet.

For the first time in 62 years, 1987 exceeded 30in of rainfall for the year in my part of the world, Norfolk. The average here is barely 24in, and I have recorded less than 20 inches on three occasions. Since last July, in the Upper Waveney Valley, we have been flooded badly three times, the last being in January with up to 100 acres under water each time. Floods and even heavier rainfall have affected the south and east of Britain, which historically is the driest part of the kingdom.

Nor is a long, wet spell likely to be followed by a drought. On the basis of compensation, it should; but to those who ask my opinion, I prefer to hedge or quote such a year as 1936. The very mild winter was followed by a cool summer, and the one cold snap just after Christmas was followed by a very damp, sunless 1927. The years 1935/36 and 1957/58 were much the same.

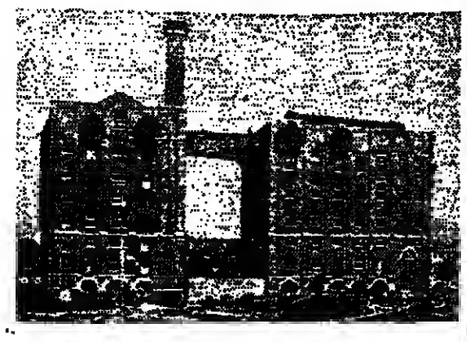
Does this mean that the weather pattern is changing, one wonders? The answer is not likely to be known for at least another century. Yet, our weather obsesses us still. We still note where the wind lies on Candlemas Day (February 2), for in that quarter it is supposed to stay until May 2. If there are fogs in March, there supposedly will be frosts in May, and thunder in March will bring floods in May.

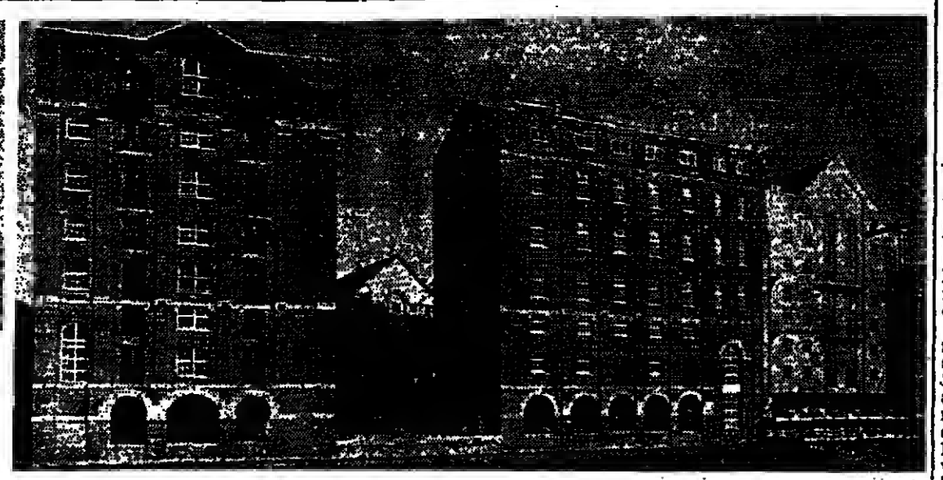
Sometimes, such weather saws are borne out, but we tend to forget the years when they are not. Some people cling to the belief that if the oak comes into leaf before the ash, there will be only a splash of rain: "The ash before the oak portends a summer soak." But over the past 60 years or more of my observations, oak trees invariably have come into leaf while ash trees are still bare.

I would not deny – except in the latter case – that some weather sayings more often than not hold some truth. They must have arisen from ancient observations long before the Met Office came to our dubious aid in forecasting. But the fact is that, situated as we are, our weather comes not merely because of being exposed to the Atlantic Ocean and influenced by the Gulf Stream. It comes from a long succession of cause and effect which is much farther afield and stretches back in time as well as distance.

Alan Bloom

Gerald Cadogan finds encouraging evidence of the revitalisation of Europe's inner cities





Of 477 buildings in Bristol identified in 1977 as being derelict, 324 have been restored, as in this riverside development shown before and after sympathetic restoration

Beauty in the Eye of the beholder

THE WINNERS of the European Year of the Environment medals were announced this week: A (cities or towns with population of over 300,000) Bursa, Turkey; B (cities or towns of 30,000 – 300,000) Nijmegen, The Netherlands; C (towns or villages *of below 30,000) Pohjan, Finland.* Three special awards go to: Konstanz, Germany; Krems, Austria; and Ungersheim, France. There are also 29 diplomas of merit. Entries totalled more than 200.

THE EUROPEAN Commission'e European Year of the Environment (Eye) competition for architectural conservation projects that involve whole cities, towns or villages, or large parts of them, is an opportunity to see how Europe is doing.

The report is good. Top of the list is encouraging news of public and *private initiatives* working together to revitalise inner cities.

Eye awards make plain how much imagination and effort are needed to realise the potential of derelict inner cities. The first job is always to clear the mess, ruthlessly. Then there is room to see how to make the most of surviving buildings. What are the needs of the community? What may be adapted? Will new buildings fit?

Attention to detail – paint, bricks, ironwork, pavement patterns, tiling – is a universal way to make a place look spruce and encourage citizens to keep it so. It means better craft skills and more jobs, since these details are usually labour intensive.

Schemes to restrict cars are now no surprise. What does seem new is that from Wigan to Backnang (in Baden-Württemberg) *authorities* are *realising* the leisure and pleasure value of canals and rivers. in a boat or on land they epell civic contentment and more business.

Organised by Europa Nostra for the commission, and with support from American Express, the awards are a special event for Eye, and are not part of Europa Nostra's own annual awards scheme. *The judges* were three architects, Professor Yves Boiret (France), Professor Peter Oltmanns (Germany) and Sir Bernard *Feilden (United Kingdom),* who remarked on the exceptionally high standard in the competition, without "the usual residue of inferior entries."

Bursa's enormous scheme for refurbishing the parks, roads, houses and kiosks of the first Ottoman capital leads the medallists. Started only in 1982 it is already highly successful at making the place attractive to citizens and tourists.

Diploma winners among cities are from northern Europe. Gothenburg's Haga *district,* an old suburb from the 17th century with wooden buildings, and e city centre scheme in Copenhagen, win for Scandinavia.

In Vienna the *Wienerwerkbundsiedlung,* the Thirties assembly of show houses by different architects, needed restoration to maintain its place in building history. in Dublin a diploma goes to a small, sympathetic and well-landscaped scheme of new houses for *old people,* on 2.28 *acres at* Woodstock Court, Ranelagh, a run-down district. It makes the point that conservationists should not think their duty is only to keep old buildings. They must not fear the new.

British cities may also be happy with the diplomas. Birmingham's City Centre canal project has cleaned the canals *and at last allows public* access to the towpaths at the heart of the country's canal system. People who have endured the Inner *Ringway will* appreciate the delight.

Bristol is a fine example of how best to use public money. Some £3.65m of it since 1977 has led to £28m of private investment. Of 477 buildings identified then as derelict, 324 are now restored.

Edinburgh's Georgian naw town gets its second eward this year. Gateshead is an unexpected *winner for its bridges over* the Tyne, a task needing the coordination of several authorities. Glasgow wins for a model of inner city regeneration in tha Merchant City project, with skilful deployment of private finance. British Rail's huge white elephant, the Bell Street warehouse (1882), 147 metres long, has become 158 bedroom flats.

Among towns, diplomas go to the Wigan Pier project on the *Leeds and Liverpool canal;* to Lancaster, where four schemes include the redoing of the glorious *beaux arts* baroqne Ashton Memorial (John Belcher, 1906-09); and Exeter, for work along the river and canal.

Winners on the *Continent* are Solothurn in Switzerland and Nimes in France, both of them towns whose planners value colour, a view we know through the gospel of the Civic Trust. Nimes has 21 house colours for houses.

Backnang and Fürth in Germany, Odense in Denmark and Alcala in Spain complete the list of towns with diplomas. The medal goes to *Nijmegen,* for resurrecting the Lower Town by the river Waal, where the trading quay had closed in 1936. Now, alive again with new houses, it is one of the schemes making best use of being near water.

The most intriguing projects are in small towns and villages. Pohjan, a Finnish ironworks town with 5,400 inhabitants, takes the medal. It is old, the works founded in 1649, in an unspoilt setting, and part of Finnish economic history. Its timber houses have been restored, painted red in the familiar shade that went to North America. New Lanark in Scotland, with a diploma, is similarly important in our industrial and social history.

The other diplomas go to: Neulengbach in Austria (scrupulous detail); Jaegersborg in Denmark (a hamlet round water mills in a state deer forest); Herrstein and Mossbach in Germany; Le Vésinet near Paris (the first garden city in France, begun in 1858); Lesbos in Greece (patterned pavements keep the skills of masons and quarrymasters alive and give employment); Useldange in Luxembourg; Nieuwolda in Holland (work by the water); Sigtuna in Sweden (naw buildings); and finally Wallingford, where the old town centre has been saved.

Special awards go to places *that do not fit into any one* category. Krems has been the outstanding example of conservation in Austria, where all problems are considered, from the preserving of elaborate painted plaster house facades to avoiding total gentrification.

Koostanz in Germany is rewarded for encompassing new and old buildings, landscape and a sense of history in plans which focus on the former monastery of Petershausen. At Ungersheim, enthusiastic students started in 1980 to collect the old buildings and reerect them in the Ecomusée d'Alsace to show the local building and social history. They now have 42 buildings. But they are not stopping. Their manifesto finishes: "Le musée resters évolutif." So too will conservation in Europe.

One Bad Step for man

Secret Places

Peter Gillman ends up wet but unbowed on the Scottish isle of Skye

LOCH CORUISK on Skye is probably the best known of all the secret places of Scotland. If that seems a contradiction in terms, the walk earns its special renown hy virtue of the obstacle that arises within sight of the goal.

It has turned countless walkers back. But those who persevere arrive with senses sharpened and nerves etingle. That was precisely our experience, for after bungling *our first attempt* we returned a year later and claimed our reward.

The best start is at Elgol, a fishing village at the end of the single-track road that winds for 14 miles across the south-eastern arm of Skye, passing Blaven en route, one of the most seductive of all of Scotland's 3,000ft peaks. Elgol has ona of those tiny, womb-like harbours that dot the Scottish coast: once you have seen it, turn round and strike up the path that leaves the road half *a mile back.*

After cutting through the fields behind the village, tha path drops down to the cliffs that line Loch Scavaig. It is precipitous at first, with several stretches where care is needed, hmt than the slope eases as it passes a secluded *inlet.* Two miles or so out at sea is the island of Soay and beyond it is Rhum, rising sheer from the water like a citadel.

In anothar mile the path reaches Camasunary, a wide bay with one inhabited croft, two ruins and a broad strand that runs for half a mile towards the slopes of the peak of Sgurr na Stri. The lush grass is of the deepest green and it could be a set for Watership Down, for it is the home of a vast community of rabbits which bob away as visitors approach their terrain.

A mile or so inland rises the west ridge of Blaven, foreshortened from this perspective. On the far side of the bay, beneath Sgurr na Stri, a river courses strongly into the sea. The Ordnance Survey map shows a footbridge crossing it near its mouth - and herein lay the seeds of our first failure.

Admittedly, we had started the *walk hopelessly late* in the afternoon, the result of the indecision that afflicts even the best organised of parties. Wa had been *walking for the best part of two* hours and it was approaching 6pm. With consummate optimism, we calculated that it *would take another hour to reach* Loch Coruisk. If we spent half an hour thare we would be back to Elgol by 10.30pm – and on a *Highland summer evening,* with its extended twilight, that need not be too late.

But as that great Lowlander said, the best laid plans. . . for where was the footbridge? All that remained of the structure marked so unambiguously on our map was a *line* of iron piles stretching across the river – the outcome, we presumed, of some catachysmic storm the previous winter.

We set off np the bank in search of somewhere to cross. By the time we had walked upstream for several hundred yards, removed our boots and socks, waded across, dried our feet as best we could and replaced our footwear, half an hour had been consumed.

We pressed on. But as we contoured around the flanks of Sgurr na Stri the path deteriorated and our pace slowed, and it was past seven as we approached the final headland guarding Loch Coruisk. There was also that notorious obstacle to overcome.

The Bad Step of Loch Coruisk consists of a glistening white granite slab that blocks the path for some 50 ft. There is a sheer drop to a rocky beach some 30 ft below. The only route across is via a slanting crack just wida enough to walk along. In mountaineering parlance, it is the crux of the walk.

Fifteen years ago there was an attempt to remove the Bad Step. It wae mooted hy the British Army, which felt its removal would give its men valuable practice to the use of explosives. The army further claimed that blasting the Bad Step out of existence would assist the local mountain reacue team, even though no-one in the team had been consulted over the idea and would hava turned it down if they had. Happily the move was defeated hy the combined protests of walkers, environmentalists and nationalists, and the army retreated.

There was no thought among our party that the army should have been allowed to proceed. However, voices were now heard to argue that it was far too late to attempt the Bad Step, reach Loch Coruisk with enough tima to *enjoy it, and return to Elgol this* side of midnight.

A vote was taken; the party withdrew. As we retraced our *steps towards Elgol, our consola*tion was a breathtaking view of the Cuillin ridge, its gaunt crest silhouetted as the sun slid behind it.

We returoed to Skye a year later. It was, of course, a matter of hopour to renew our acquaintance with the Bad *Step.* This time we approached the bay at Camasunary by an alternative route, parking our car three miles short of Elgol and following a track that has been gouged rather unsympathetically out of the hillside.

It was not the perfect day we had enjoyed a year before, and e damp wind was gusting in from the sea. At least *on this* occasion we were in plenty of time and it was harely midday as we approached the river at the far side of the bay.

We found that the footbridge had oot beeo replaced, briskly waded across (we had brought towels this time) and headed for the Bad Step.

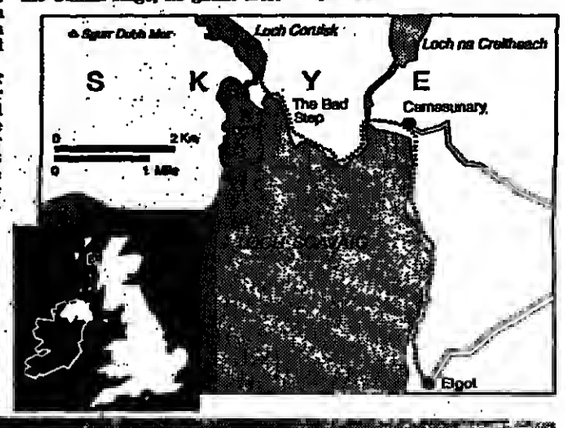
When we arrived it seemed no *less daunting than before.* The best approach, we had been told, is to balance along the rim of the crack while bracing yourself on the rock above and trying not to look at the 30 ft drop et our feet.

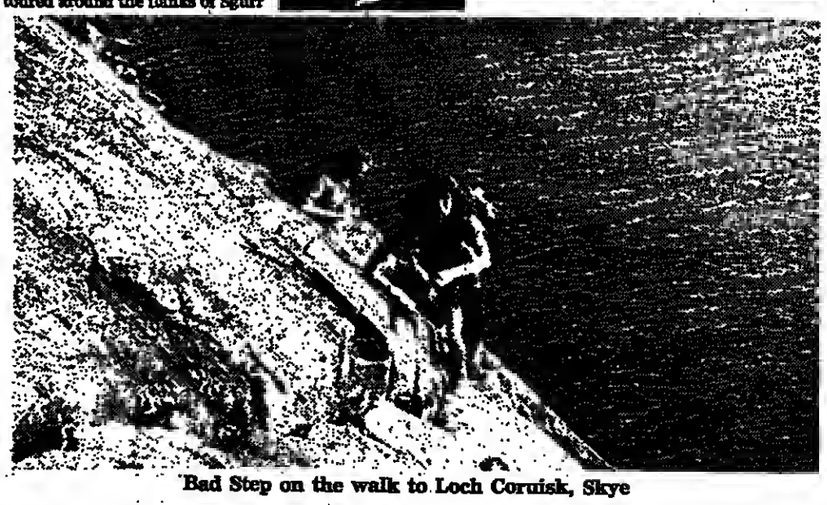
Happily it proved quite straightforward: the holds were firm and dry and after embarking one by one we were soon reunited on the far side. The path now dropped down to the waterside, traversed a lonely beach and then climbed a curving granite mound. We scrambled to the top and there before us was a long, slender loch reaching into the very heart of the Cuillins.

We spent half an hour beside Loch Scavaig and then followed the river that cascades from the loch to the sea. We crossed a set of stepping stones to find ourselves besida a lagoon formed by sheer rock walls that echoed to our calls. A short way out to sea was a granite islet on which seals were basking; they eyed us balefully and then slid into the water.

The rain was strengthening. It was time to head back. But at the Bad Step a minor shock awaited us. The dry slab we had crossed so confidently before was now glistening with e curtain of rainwater. Its crisp footholds had become slippery and treacherous.

It rained all the way back to the car. We removed our sodden outer clothes to find the inner ones just as sodden. But, especially in Scotland, a soaking is one of the costs of the secret places. If they were easier to reach, they would not be secret any more.





Bad Step on the walk to Loch Coruisk, Skye

High Street Wine

Marks does better

IN ITS 125 stores, Marks & Spencer has never had an extensive wine list to compete with its rivals in the High Street. Indeed, for those looking for something different from the usual run of inexpensive table wines the selection, although always dependable, has been unadventurous.

It has not taken advantage, for example, of the strong inflow of low-priced Australian wines benefitting from the fallen dollar although, I am told, this could soon be remedied.

There is also tha so-called Connoisseur'e Collection of 10 vintage clarets and burgundies, but these are to be seen only in half a dozen London stores and one in Edinburgh, although on order everywhere. Nevertheless, the list has now grown, with 69 table wines and nine sparklers, from champagne to the *frizzante* Lambrusco, available generally.

At a recent tasting 22 wines were selected for me to sample, and here are my comments on most of them.

WHITE

Frascati Superiore, 1986 (£3.25). This is the white wine that the Romans drink, and usually it is very dull indeed, but this one has e nice flowery nose and much more flavour than expected from a "small" wine: fresh and crisp.

Pouilly-Fumé, 1986 (£5.99). I found this fruitier and rounder than the accompanying Sancerre (£5.25) which, although typical and Sauvignoo-tasting, is still green whereas the Pouilly is full-bodied for this wine.

Jeunes Vignes NV (£4.50). The price might look on the high side for an anonymous non-vintage white wine but, in fact, it comes from the ever-expanding Chablis vineyards, although made from vines too young to be allowed the appellation. This has a "lead pencil" bouquet and has tha "grip" and clean attack thet one looks for from Chablis.

Chablis, 1986, (£6.50). M & S has long had an excellent basic Chablis obtained from the reputahle cooperative, La Chabilisienne. This is crisp with very good acidity and, for me, is much preferable to the more senior Chablis Premier Cru 1985 (£9.95) thet lacks acidity and, in consequence, is rather heavy tasting.

On the other hand, for those who can afford it the Grand Cru les Grenouilles 1983 (£15.00) is a distinguished mature wine of real class, full of fruit and very well balanced.

Puligny-Montrachet Folatieres 1984 (£18.00). Priced more highly still hut this is a Cote d'Or *Premier Cru* wine with a slight colour, a lovely deep nose and an oaky flavour. It shows what can be done in a written-down, moderate vintage. Part of the Connoisseur's Collection

Sparkling white Burgundy, (£5.99). Usually e rather dull wine, this one from the Macon Cooperative et Lugny is made from the Chardonnay grape, has much more depth of flavour than usual and is excellent value. I was surprised by it.

RED

Chambolle-Musigny 1986 (£9.99). As in Bordeaux, this vintage in Burgundy was under-rated initially hmt, in fact, some very drinkehle, albeit, light wines were produced. This is pale in colour with a "raspberry" nose and a light but well balanced flavour. Coming from the reputable firm of Chanson, it is an easily enjoyed wine from the Connoisseur's Collection.

Claret, 1985 (£3.99). This has always been among M & S's best sellers, with a turnover of 500 cases a week. The blend made by Sichel of Bordeaux has a true claret nose with perhaps a predominance of Merlot. It still tastes rather young but this is to be expected.

Medoc, 1985, (£3.75). This has *more class than the basic claret* of a fine vintage. With a very good colour and more body, it is still backward and worth buying to *keep for another year.*

Margaux, 1985, (£6.50). This "village" label conceals the second wine of classed-growth of Ch. Brane-Cantenac: Noton. Softer than the Medoc, it is still quite strong tasting and still backward, needing time to develop. A good wine, though.

Ch. Malartic Lagraviere 1967, (£13.50). A Connoisseur's Collection wine with a brown tinge, a typical Graves "bricky" nose and flavour, it is still a little tannic but is a claret of distinction, showing the quality of a fine 1967.

Barolo, 1981, (£3.99). This is one of the early maturing Barolos, with lots of fruit and easy to drink. Very good value.

Brunello di Montalcino 1977, (£9.99). With a brownish edge on the rim and a rich nose this is a complete, velvety wine from the reputable Val di Suga estate. Good value for a distinguished example of an often over-rated, over-priced wine.

Edmund Penning-Rowsell

The spread of AIDS

Peter Marsh looks at three books which highlight the killer disease of the 20th century

THE STATISTICS of AIDS are *perhaps* the worst aspect to the disease and yet for most people are the most difficult to grapple with. According to the World *Health* Organisation, about 150,000 people around the world have contracted the disease. Of these almost all will die very soon, or have already done so.

Tha number hy itself looks fairly puny when compared with, say, the 300,000 people likely to die this year in Britain alone from heart disease, the country's number one killer. The bare statistics *ignore, however, the fact* that heart ailments strike mainly at older peopla while AIDS is mostly killing people in their 20s and 30s.

Another aspect to the disease is that it is likely to spread into a significant proportion of the heterosexual population from the homosexual community where, in the West at least, it has been *mainly concentrated – although* at precisely what rate scientists continue to argue about.

On top of this is the exponential growth in AIDS cases since the disease was identified in 1981. Each year, the numbers of people affected hy the *condition has* roughly doubled; at this rate there will be 1m cases by 1991.

If you think these figures are bad enough, wait until yon read the latest treatise from sexologists Masters and Johnson, helped out by *Robert Kolodny,* another member of the famed duo's sex institute in St Louis. Their view is that the official figures are too low by 50 per cent; as a result the true number of people with AIDS by 1991 will, the book says, be 2m and that by the end of the century a terrifying 25m.

The findings are not so much alarmist, as some reports have indicated, as alarming. Many of the trio'e theories to explain under-reporting of the disease appear plausible enough. Most disturbingly for most people, they propose that AIDS has penetrated far more deeply into the heterosexual population than has previously been thought.

Masters, Johnson and Kolodny provide as evidence for this last statement results from studies of 800 heterosexual Americans which correlated sexual activity with whether these people had the AIDS virus. Of those in the sample with *more than one sex*ual partner a year, seven per cent of the women and five per cent of the men had been infected, far above *what* most people would expect.

Although the sample was not random, and probably comprised people whose rate of change of sexual partners was somewhat higher than the norm (otherwise *what would they be doing contri*buting to a Masters & Johnson survey?) the book contains plenty of ammunition to support those worried about complacency of the population as a whole about AIDS.

The concern felt in the U.S about aids is reflected in other recent accounts. Randy Shilts is e reporter on the San Francisco Chronicle who has tracked the disease from the outset. His is a comprehensive and courageous book, which *is* often banal yet sometimes moving and which discusses the advance of the condition mainly from the perspective of the gay communities in San Francisco and New York.

The 630-page volume is probably 30 per cent too long and is marked by Shilts's annoying habit, which he shares with other American newspaper reporters who turn to books, of making up quotes which purport to describe what X said to Y at a given time. On the face of it this is an unremarkable stylistic device which aids the flow of the story. Yet Shilts cannot possibly know the exact words used by Rock Hudson (a closet homosexual who died from AIDS in 1985) when he was discussing *his* ailment with Nancy Reagan, nor what was the conversation between the American and French AIDS scientists as they stood discussing their results in the Paris pissoir.

This tendency aside, Shilts is noteworthy for the care he has taken in dovetailing accounts of how AIDS has affected individuals with a description of the political processes controlling the US's response to the disease. The book must have been extremely painful to write, judging by the number of funerals it describes of young men.

The Connor/Kingman work is more manageable, largely because it is shorter and less ambitious, restricting itself mainly to describing the efforts to classify and outwit the virus that causes the disease.

Non-scientists may occasionally find the biochemistry a little daunting, though Connor and Kingman employ admirably snappy language, particularly in their discussion of the rivalry between the teams of French and American scientists both of which claimed to have discovered the virus first.

Crisis: Heterosexual Behaviour in the Age of AIDS by William Masters, Virginia Johnson and Robert Kolodny. Weidenfeld and Nicolson, £9.95, 243 pages
And the Band Played Onby Randy Shilts. Penguin, £8.95, 630 pages
The Search for the Virusby Steve Connor and Sharon Kingman, Penguin, £3.95, 230 pages.

Japan's taste for gold

Food for Thought

JAPAN'S APPETITE for gold is booming. Not only are the Japanese wearing more gold these days, they are also eating it in greater quantities than ever before.

For more than 25 years, the Japanese have had e tradition of mixing a few gold flakes into their saké for its supposed medicinal purposes. But lately, thanks to the strong yen and lower gold prices, gold flakes have heen cropping up in everything from sugar to sushi.

The trend has taken hold primarily in Osaka, Japan's second largest city and the commercial heart of the country. The Osaka branch of Takashimaya, a leading Japanese department store chain, reports that sales of gold flakes in a wide variety of goods have taken off in recent months, primarily as gift items.

A Kyoto tea company, for example, offers Flapping Wings tea, Y1000 (£4.40) for 20 grams, which includes Japanese *plum* pickles, seaweed, salted cherry blossoms and bits of gold foil for mixing together with the tea. "You can see the gold foil floating in your tea and its a gorgeous, relaxing sight," says an official with Irokuen Tea Company in Kyoto.

For those who like their gold steamed rather than boiled, an Osaka rice company specialises in bags of rice which contains 380 grains coated in gold plus 200 tiny squares of gold foil. An 840-gram sack costs Y5000. Takashimaya's Osaka branch says that about 250 bags of the rice have been sold since December, mainly for gifts.

"Osaka people like new ideas and new fashions originate here," says a Takashimaya executive.

At Japanese weddings, for example, the hride and groom must give each guest a gift. in trendy Osaka, he says, young couples are breaking out of the kitchen clock tradition and giving their guests bags of gold-flaked soap or sugar.

At the same time, sales of inedible gold, primarily jewellery, also are booming. The country's increasing waalth and its increased interest in spending it has combined to make Japan the fastest growing importer of gold jewellery.

According to the Geneva-based World Gold Council, Japan's gold jewellery imports in the present fiscal year will jump by 66 per cent to Y51.5bn. Italian jewellery came at the *top of the list,* accounting for 61 per cent of the total. Hong Kong ranked second with 17 per cent.

The council reports that gold jewellery is 30 to 40 per cant cheaper in Japan now because of reduced tariffs, the stronger yen and lower gold prices.

For the traditionally minded, of course, Japan's saké companies are still making gold-flake wine. "Japanese people bave long thought that gold was good for health and longevity," says an official with one saké manufacter. Considering the high prices it fetches, it is also good for the health of saké companies.

Carla Rapoport

Flowers that always bloom

IT'S FLOWER time on all the smartest sweaters. Ever since Christmas when Joseph Ettedgui's grey, black and white rose-covered sweater became THE sweater to have, flowers have been what the sweater-brigade has been looking for. For the right flower, price seems to be no barrier. At £285 a time, Joseph's sweaters were selling as fast as they reeled off the needles.

Over at English Eccentrics at 155 Fulham Road, London SW3, there is a hand-knitted sweater that is being treated like serious art – in a limited edition only (only 50 of the very smartest backs will ever sport these blooms) they sell at £250 a time. Black with white stripes and roses in full glorious technicolour in a huge band all around the middle, they are indeed objects greatly to be desired.

More flower-strewn cardies can be found at Moussie, 109 Walton Street, London SW3 – and if it's summer you are thinking of you can find them in cotton as well. Flowers at Moussie come in all sizes from tiny little blossoms to rambling roses and prices are around £170.

Photographed here is Kanga's version of the floribunda look for people - in cotton (white/red, emerald/navy, caramel/cream, navy/cornflower, black/red). The tulips make a change from roses and no doubt makes it easier to tell that the wearer is not a sofa. £229 each, sizes 8 – 18 from 8 Beauchamp Place, London SW3.

If all these prices sound like something more appropriate to a painting than a sweater then the nimble-fingered can knit their own. Jaeger Handknitting, which is busy upgrading its whole image and providing patterns with all the pizazz of top designer ranges, has produced, just in time for spring, a knitting pattern (photographed here) which has all the exclusive trademarks – the bold colours, the flowers in full bloom, the rich, dramatic effect. You do need to be an experienced knitter to tackle it with ease but with the required wool selling at £1.49 a 50 gram ball and between 19 and 21 (depending upon the size) balls in all being needed, I reckon you could have the designer look for something around £30. You will need to use the Jaeger Matchmaker DK wool available from Dickins & Jones, all House of Fraser Stores and Ries Wools of Holborn. The pattern is available free to FT readers - just send a large SAE to Jaeger Handknitting International/Financial Times, PO Box 10, Alloa, Scotland. (0259-723481).

Floribunda in pure cotton in a variety of striking colourways. £229 from Kanga

Knit your own bouquet with a free Jaeger pattern. In black with blooms in rich dramatic colours

Black handframed jumper adorned with flowers, £290 by Joseph at all Joseph Tricot shops

Good coffee should be a real steam effort, says Peter Knight

Catching the espresso habit

REAL MEN make their own espresso. Forget the sickly "pusch, pusch, slurrrrgh" of the Red Mountain ads on TV, we're talking real coffee here, the creation of which involves a unique combination of high technology and brute force.

To compensate for the effeminate dolls'-house cups, the coffee should be made with expensive Italian machines that both look and sound like the Titanic's boiler room.

The marketing people have been quick to realise the potential for selling espresso machines through the most untraditional outlets. You can buy a simple machine, for example, through the Next catalogue, at Gee 2 (a younger outlet of Cecil Gee) and even at Holborn's local cigar shop, John Brumfit.

The machines range from the simple, traditional Italian coffee pots that sit on the stove, to the old-fashioned La Pavoni models which look like miniature chrome cathedrals and make some of the best espresso outside that little bar at La Scala's stage door.

There is also now a range of electric espresso machines which cost from about £35 upwards. Top machines sell for around £450. Ironically it is not espresso but cappucino that has helped drive the market. Although the espresso machines are designed to make strong black coffee, it is their ability to produce steam for frothing milk that has made them attractive to a wider range of buyers, especially in the UK where white coffee is preferred.

Good machines are surprisingly expensive and it is impossible to tell the difference just by looking at them in the shop. As a rough guide, the quality of coffee and quantity of steam produced is related to price. Difference in quality becomes more difficult, but not impossible, to distinguish in all but the most expensive machines - and this was borne out by the 10 machines tested, from £39 to £450.

A good espresso is made by driving highly pressurised steam, or boiling water, through finely ground coffee. Pressure is the key and manufacturers have devised three ways of providing it. The cheaper machines (around £50) use the same principle as that of the traditional pressure coffee pots : water in a boiler is heated to boiling point and driven under its own pressure through the coffee to a reservoir above. But this fails to provide sufficient heat or enough pressure to extract the maximum taste.

The coffee is similar to that made in a filter, only stronger. Lack of pressure also leaves the espresso without its "creme," that frothy Guinness-like head essential to taste and aesthetic quality.

Medium-priced machines (£120 upwards) use a pump to drive the boiling water through the coffee. Instead of a boiler, some of the better pump machines have an instant-heat system that draws water from a reservoir and heats it in a thermal block, much the same way as an electric shower heats its water. This allows the pump to driva consistent amounts of boiling water at pressure through the coffee.

Most machines above £100 use pumps, and in some the pressure can be varied to produce coffee of different strengths. Another solution is to drive the steam through manually, by pressing a lever.

The process is highly effective and oh so macho. Dad can spend hours in the kitchen with steam belching from the release valve, using his bulging biceps to help extract the best from the bean. But machines such as the Pavoni Europiccolo are slow and no good for catering for dinner guests.

Steam for frothing milk is produced either as a by-product of the boiling water or as a separate process.

To froth and warm the milk effectively, you need to be able to vary the amount of steam and the depth at which the outlet pipe can be inserted into the milk. Cheaper machines produce only a limited amount of steam and some do so only when the water is bubbling through the coffee, which can be inconvenient. The Salton machine has a unique, but most unattractive, method of sucking the milk up a flexible tube and then spurting it out of another orifice.

Although some of the cheaper machines produce adequate steam, the more expensive models make a much better job of it. Price also reflects the quality of construction. The Pavoni Europiccolo, for example, has a chrome-plated solid brass boiler and all its parts are made to last. The distributors in the UK, Fairfax, also repair the machines when they need new valves, which could be every 10 to 15 years.

The Europiccolo and its bigger brother, the Professional, which displays a large pressure gauge, are based on a simple design with the minimum of moving parts. Cheap pump machines can cause problems because lime scale gums up the works after a while, but the more expensive models use designs and materials that minimise the risk of breakdown.

Most makers spend a considerable amount of effort on styling. The majority have a masculine feel, like the aggressive black/brown models from Krups. Rowenta's is outlandish, Pavoni and the much cheaper Gran Gala have a chunky chic. Traditional bar-machine makers, such as Pavoni and Gaggia, also make more conventional home models with pumps, although they have forsaken the individuality of their traditional designs for the dreary Euro-look favoured by Salton and Philips.

The only problem with paying a lot on a good espresso machine, is that you then have to spend more money on a grinder. The cheaper electric coffee grinders, similar to liquidisers, use blades to chop the beans, a process that produces binding and an uneven quality which hinders the progress of the steam through the coffee.

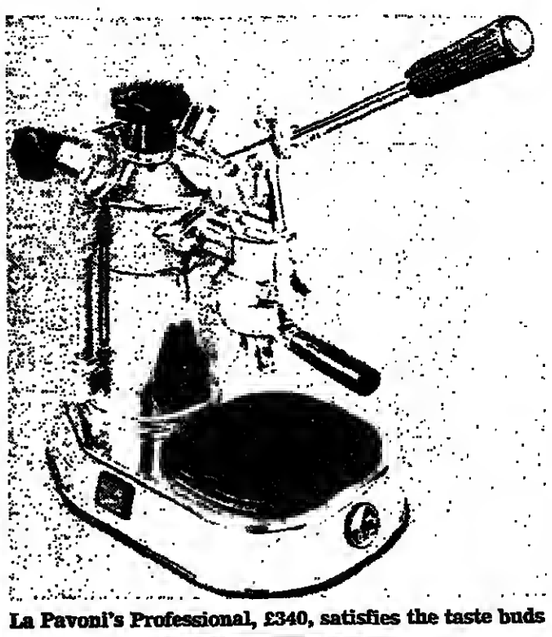
A proper grinder costs from about £85. Of course, you could always go all the way and buy the Omre Quickmill. This is the Rolls-Royce of home espresso machines and is favoured by chief executives who need that quick caffeine zip when working late at the office. Its design is rather pedestrian but it can make excellent espresso in various strengths and it has a built-in grinder. A sip at £450.

BUYING GUIDE: High-quality pump machines will not disappoint. Expect to pay from about £120 with about £150 being the norm. Buy only a well-known brand with service back-up such as Gaggia, La Pavoni and Krups (part of Salton-Pifco inthe UK).

If you demand excellent espresso and are catering only for two, then buy a Pavoni Europiccolo (£240) which is the smaller version of the Professional. The simple and cheaper machines (around £50), such as the Krups Mini and the Gran Gala, make about four cups and produce good, frothy milk. These machines are acceptable for cappuccino but make inferior espresso. None of the home espresso machines is suitable for catering. A coffee filter is best for big dinner parties.

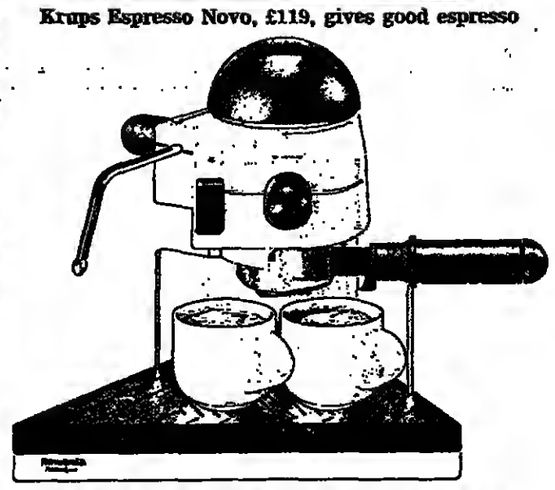
● *Peter Knight is editor of Fin Tech 2 – Electronic Office.*

Eureka! COFFEE MAKERS



La Pavoni's Professional, £340, satisfies the taste buds

Krups Espresso Novo, £119, gives good espresso



Rowenta's machine, £40, disguised as a Dalek.

Up the wall

IF THERE'S one thing wa all know about Kaffe Fassett it is that he is a whizz with colour – all those mouth-wateringly delicious knits, those beguiling tapestries were made distinctive and distinguished by his own, very personal use of colour.

For all who love the Kaffe Fassett style there is now a chance to cover your walls the Kaffe Fassett way. It is a small collection but it offers a real alternative in the ranges on the market.

His colours and patterns are on the whole so subtle that it is hard to envisage exactly how they would look papered round an entire room – fortunately Ehrman (for whom Kaffe Fassett has designed the papers) has produced a full-colour brochure which shows exceedingly well how the designs look when pasted into place.

I like best Lichen – soft, sludgy, infinitely subtle. Delft is original and individual, while Shibori is another tiny-scale, subtle design.

Prices range from £11.50 a roll to £14.50 and there are borders that work with all three designs. The papers are available only by mail order. For a catalogue and sample pack (a marvellous idea this as you get decent–sized cuttings of the papers and the borders to juggle with) send £1 (which is refunded if you buy) to Ehrman, 21/22 Vicarage Gate, London, W8 4AA.

Art Galleries

Rugs to riches

ANYBODY WHO has tried to buy an antique needlework rug will know just how highly valued they are these days – prices are almost out of sight. But there is nothing in stop you making your own.

Last year Hugh Ehrman devised a rich and floral needlework rug specially for FT enthusiasts. Based on the idea of separate squares which could then be combined to form as large or small a rug as you liked, it was a great success with readers. Now comes a similar idea from Elizabeth Bradley Designs.

Many readers may already know her kits based on authentic Victorian animal motifs. These dasigns can now be joined together in sets of six or twelve and then edged with a ribbon and bow border kit which then makes a rich and rather special rug. For a full colour brochure describing the kits and the border write in Elizabeth Bradley Designs, 1 West End, Beaumaris, Anglesey, North Wales (0248-811055).

If you have a valuable antique rug that needs cleaning, repairing or restoring Sheelagh Lewis of Ridge Hill House, Ridge Chilmark, near Salisbury, Wilts will do it for you.

Her workshc,s have in the past restored work for such distinguished clients as the National Trust, Cambridge colleges, City companies and stately homes but now that she has moved her business out of London she is also hoping to do much more everyday work for private customers. She will collect and deliver in a radius of up in 100 miles round Salisbury and besides the repair work she will also identify and value rugs.

As a guide Sheelagh Lewis charges £20 in £30 for handwashing and cleaning a rug 6ft by 4 ft, while mending a fringe would be about £20 to £40, a rewoven hole would be between £50 and £70.

James Ferguson

In fine style

MORE TAPESTRIES for those who like the really fine traditional work are to be found at Tapisserie, 54 Walton Street, London SW3. There is a vast range of exclusive hand-painted tapestry canvasses, some specially commissioned in France, some designed in order by young artists on the premises.

The overall style is nostalgic and traditional spanning everything from the heraldic and grand to the floral and Victorian. If you're not very experienced, start with something as small as a pin-cushion. If you're longing for a real challenge try one of tha really intricate cushions.

All wools, silks and other accessories can be bought in the shop at the same time. The downright lazy can ask one of Tapisserie's craftsmen to do the hard work for them. It's also a good source of presents – look out for charming padded baskets, needlework bags and ready-made pin cushions.

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ANYBODY INTERESTED in contemporary designer jewellery should head for the South Bank Craft Centre, where from now until April 4 it is Dazzle time again. Dazzle, in case you haven't yet caught up with it, is an annual festival of jewellery when young designers bring their wares, so in speak, in town.

Face mask pendant by David Hensel

It's a marvellous chance not only to see what they are up to, where the current trends in design and materials are heading, but it's also a good chance in buy jewellery at astonishingly good prices.

Designers in look out for at this year's show – Sarah Brown (who made the jewellery for Grace Jones in the last James Bond film), Avrina Eggleston (who designs for Next), Anthony and Deidre Hawkin (who design for Alistair Blair) Jane Adam, and many, many more. There's a special emphasis this year on time-pieces. Prices start at about £4 and go up in £1,000.

Robert Blake on a biography of Daniel O'Connell, charismatic Irish architect of Catholic emancipation

A saint preserved

THE HEREDITARY BONDSMAN, DANIEL O'CONNELL 1775-1829
by Oliver MacDonagh. Weidenfeld & Nicolson £16.95, 328 pages

"HEREDITARY BONDSMEN! Know yet not,
Who would be free themselves must strike the blow."

This quotation from Byron was constantly on O'Connell's lips. It makes an appropriate title to the first volume of what will surely be the definitive biography of "The Liberator", if a biography ever can be definitive. But the name of Byron reminds us that O'Connell's path towards canonisation as an Irish political saint was not entirely devoid of twists and turns. A notable deviation in 1821 did not escape the searching eye of the poet in his self-imposed exile in Pisa. George IV decided to mark his accession to the throne by making the first royal visit to Ireland since that of Richard II in 1399. He was not Byron's favourite character – or anyone else's for that matter – and when O'Connell with incomprehensible servility compared in a speech the King to St Patrick, Byron let himself go in *The Irish Avatar*:

"... O'Connell, proclaim His accomplishments! *His!!!* and thy country convince
Half an age's contempt was the error of fame"

And a good deal more followed in the same vein. It is certainly hard to explain O'Connell's action in handing to the bloated monarch a crown of laurels, putting his name on a subscription list to erect a palace in memory of the King's visit and founding a "Royal George Club" to perpetuate the "affectionate gratitude towards His Majesty King George the Fourth (whom God preserve), which now animates every Irish bosom".

Nor did this blarney in any way soften the King who as Prince Regent had conceived a deep detestation of O'Connell on account of a speech in 1812 – the notorious "witchery" resolutions passed by the Catholic Board in Dublin. It was an attack on the Prince's mistress, Lady Hertford: "...how cruelly the promised boon of Catholic freedom has been intercepted by the fatal witchery of an unworthy secret influence hostile to our fairest hopes. . ." etc.. In fact O'Connell and his friends were under a delusion. George IV, like his father was an inveterate opponent of Catholic emancipation. He only gave way under the pressure of events. No civilities from the Liberator could have had the slightest effect on his rigid convictions. And Lady Hertford's opinions had no influence at all.

Professor MacDonagh takes the story of O'Connell's career to its natural dividing line, the Catholic Emancipation Act of 1829 which opened membership of the House of Commons to Roman Catholics also all the offices of state except Viceroy and Lord Chancellor of Ireland. These are extinct posts now, and only the Crown is barred today to Roman Catholics; although we have never so far had a Catholic Prime Minister or a Catholic on the Woolsack, there is no legal obstacle. It was a scandal that emancipation had not been enacted much earlier. The Act of Union on 1801 which had abolished the Irish Parliament and given Ireland a hundred Members at Westminster as compensation was passed on the basis of a promise to allow Catholics to sit. Because of George III's obduracy, Pitt was unable to deliver, and he honourably resigned. The Irish Catholics understandably felt that they had been double-crossed.

Daniel O'Connell, an argumentative barrister on the make, was in his mid-twenties when these events occurred, and they made an indelible impression upon him. Catholic lawyers in his position had a double grievance: they were forbidden from "taking silk" and entering the "inner Bar"; and the abolition of the Dublin Parliament greatly reduced their business and that of the professional classes generally, Catholic or Protestant.

O'Connell accordingly set his mind and heart on repeal of the Union. He rightly saw that the first step must be the admission of Catholics to Parliament and office. He decided that the only effective pressure that could be exerted was through mobilising the peasant vote. The forty shilling freeholders who constituted the electorate in the Irish, as in the English counties, were the only element in the system, which could be described as even remotely populist or democratic, and voters were not subject to religious discrimination. They were indeed subject to Protestant landlord intimidation, but it was the triumph of O'Connell and his collaborators to perceive that two could play at this game. Landlord bullying could be countered by priestly threats of damnation and lay threats of violence. The formula worked in the general election of 1826 when the Beresford family were ousted from their hereditary fief of County Waterford by a young Protestant, but Emancipationist, liberal landowner.

This success produced euphoric feelings among the supporters of O'Connell who had not till then recognised the potential of the forty shilling freeholders. He pledged himself never to accept Emancipation if it were coupled with their disfranchisement. The difficulty was to keep this enthusiasm at white heat when the next general election was not due for another six or seven years. Then O'Connell had a stroke of luck which he brilliantly exploited. The new Prime Minister, the Duke of Wellington, in May 1828 appointed the popular sitting member for County Clare as President of the Board of Trade. Under the rules of the time he had to resign and stand again. There ensued the most famous by-election in parliamentary history. O'Connell himself decided to stand and won by a landslide. He could not of course take the parliamentary oath, but it was clear that Catholics would capture every county seat at the next election and any that became vacant earlier. There was a prospect of endless uproar and commotion. The Duke who like all good soldiers disliked the use of the military arm in civil matters, decided to give way. This volume ends with O'Connell at the apogee of his career. He had to renege on his pledge about the forty shilling freeholders who were disfranchised. He accepted silently and pragmatically. But he incurred little criticism. He had won.

A statue of O'Connell stands in the second arched niche in O'Meara's Irish House in Dublin

He succeeded because there was much sympathy – the English spirit of fair play perhaps – among the middle and upper classes for the removal of Catholic disabilities. The real anti-Catholic bigotry was among the masses but they had no votes. His next battle, the repeal of the Union was to be a different and frustrating story. We must await Professor MacDonagh's next volume for that.

Meanwhile we have the first instalment of a first class biography. It is "warts and all", as any biography should be. The author does not gloss over O'Connell's deviations and prevarications, his blunders and mistakes, the counter-productive coarseness of his oratory, his absurdly extravagant style of life, his financial incompetence. His treatment of his wife was selfish and inconsiderate. But the stories of his enemies that he was a promiscuous sexual athlete are based on Irish legend about mythical heroes not on reality. He was a tiresome but faithful husband.

O'Connell was in many ways surprisingly conservative. He was never a republican or a social revolutionary. He wanted to see an Ireland with its own parliament and its continual link with the Crown. He supported law and order and opposed violence. He respected the rights of property. Yet he was an agitator of genius, a superb mob orator and a brilliant organiser. He deserves a notable biography and has got it.

Michael Coveney compares a new biography of Sean O'Casey with the playwright's own version

The case for O'Casey

SEAN O'CASEY
by Garry O'Connor. Hodder & Stoughton. £17.95, 448 pages

SEAN O'CASEY has been dead for nearly a quarter of a century but his work, especially the Dublin trilogy of plays on which his reputation rests, crackles unquenchably still. The point at issue remains the value of his later plays, and the extent to which O'Casey's life, and the tumultuous events of his Protestant Republican youth, were traduced or betrayed in his writing.

Neither of these questions is conclusively resolved in Garry O'Connor's nonetheless generous and readable biography, allegedly "the first full story" of the author's life.

There have been innumerable illuminating memoirs, notably those by the actor Gabriel Fallon (in 1965) and by O'Casey's widow, Eileen (1971). The main source of information remains O'Casey's monumental third-person autobiography, written in six volumes between the late 1930s and the early 1950s at the behest of his friend and publisher, Harold Macmillan. This astonishing work of well over half a million words was re-issued in the centenary year of O'Casey's birth, 1980, in two bumper unabridged volumes.

To open them at random and to read of the Transport Union lock-out in 1913, of the Easter Rising three years later, of the Sinn Fein electoral success of 1918, of the riots and fallings-out at the Abbey Theatre after the break-through with The Shadow of a Gunman in 1923, of O'Casey's antipathy towards Eamonn De Valera and his cold admiration for Yeats, of his devotion to his mother and his hopes for all ordinary Irishmen – this is indeed to enter the spirit of a nation.

As a character remarks in Graham Greene's The Power and the Glory, "a poet is the soul of his country." O'Casey was in many respects just that, but he suffered the indignity of being finally a prophet more honoured abroad than in his home land. He subsided into wispy, incorrigibly polo-necked old age in Totnes, Devon, barely venturing forth after he moved there from London with his family in 1940.

At the end of the 1920s, when Yeats and the Abbey insensitively rejected the expressionist anti-war play The Silver Tassie, O'Casey left Dublin for good and settled in London. He became fashionable and famous, a friend of Lady Astor and Augustus John. But his writing did not prosper, except in the guise of autobiography.

The Irish can be unforgiving towards favourite sons in exile, and O'Casey did himself no favours by returning as good as he got and by making such curious tactical errors as accepting the Hawthornden Literary Prize from Asquith who, as Prime Minister, had approved the execution of the rebel leaders in 1916.

One of O'Connor's tasks is to rehearse the available facts and to cast mild aspersions on O'Casey's political credibility. There is no doubt that the autobiography is in some ways a glorious work of fiction. O'Connor patiently itemises the more glaring errors, such as the disregard for dates in domestic matters.

But he goes on to do more than this, questioning O'Casey's claim to working class slum tenement status, commenting drily on his absence from the front line in 1916, his blind Communism in England, his failure to support (in deeds) the anti-fascists in the Spanish Civil War, his reluctance to visit the Soviet Union and his rabid devotion (along with Shaw) to Stalin.

O'Connor suggests that O'Casey "puts on a poor mouth" when describing his early life and "adopts the persona of a working man" when he becomes a labourer on the Great Northern Railway of Ireland. O'Connor is no doubt right to be critical of O'Casey's self-evaluations, but the niggardliness rather sets you against him. And five minutes' recuperative immersion in O'Casey puts you right back on the blarneying old blatherer's side.

O'Connor alleges that O'Casey's attack on his brother Tom's slovenly wife is born out of sectarian prejudice. When you turn up the passage in question, it simply does not read like that. Fat Agatha's stupidity and slovenliness have nothing to do with her being a Catholic, but with her being stupid and slovenly. Are we to believe that there is no such thing as a fat, stupid and slovenly Catholic?

O'Connor is much better when writing about the plays themselves, where his arguments are cogent and perceptive, and in delicately stepping through the curious marriage of a man to a woman half his age whose sexual needs he could never satisfy. O'Casey, says O'Connor, shared with Shaw an Irish gift for celibacy. Eileen, still a handsome woman today, was an ardent beauty adored by Macmillan and pursued by innumerable inamorati, including various impresarios and Macmillan's Parliamentary colleague Robert Boothby.

No new claims are advanced for the later work which remains, on the whole, untested in the contemporary theatre. A centenary revival at the Abbey of Red Roses For Me (1940) was a revelation, an intensely personal distillation of yonng Sean's poetic awakening and the political events of 1911-13 of which he was a witness. I do not consider Purple Dust(1940) beyond redemption, as does O'Connor, and I would love to see Cock-a-Doodle Dandy (1949).

John O'Riordan, who produced a splendid guide to the plays in 1985, the same year as Macmillan also published Ronald Ayling's excellant edition of seven of them, is surely right to suggest that we have some way still to go in presenting the late O'Casey. The early stuff needs no apology, no defence. Shadow, Juno, The Plough and the Stars and The Silver Tassie are among the greatest plays of our time.

Meanwhile, O'Connor's thorough, mildly contentious book, less entertaining than his Ralph Richardson biography, puts the lid on the writer's life, if not on his art.

Sean O'Casey: a broken career

Fiction

Antipodean romp

OSCAR AND LUCINDA
by Peter Carey, Faber & Faber, £10.95, 511 pages
TIDINGS
by William Wharton. Jonathan Cape. £10.95 259 pages.

OSCAR AND Lucinda is a cunningly planned picaresque history of eccentric 19th century people, many of them ecclesiastical, by the author of Illywhacker. For more than a few years, Australian novels have been judged by the high achievement of Patrick White, who has dominated his literature almost as absolutely as Goethe dominated that of Germany. With this novel, even more satisfactory than its excellent predecessor, the process shows signs of stopping.

Peter Carey has something of his own that Randolph Stow, Thomas Keneally, and others have not. White's achievement remains, but his obtrusive shadow is beginning to vanish. And, incidentally, it is nice to detect in the title a possible tribute to Martin Boyd, an earlier Australian novelist whose Lucinda Brayford is a neglected classic.

Peter Carey occasionally overwrites, but this is a small price to pay for his enormous and unbounded energy – unprecedented in Australian writing for many years – and shrewd exuberance. Oscar and Lucinda managee, amazingly, to be about gambling, religion, glass – about which Carey is almost as knowledgeable as Melville is about whales – the interchange between Australia and England in the 19th Century and "the white invasion of Australia."

Now is the time to enjoy it before it becomes over-dissected by critics: it is the most original and rewarding novel to appear in the English language for many years, and the author's lightness of touch is unlikely to mislead readers into ignoring his serious intentions.

Tidings is an unusual novel about an American philosopher, Will, living in Paris, who creates an illusion of "the good life" by ignoring whatever, in reality, opposes his idea of it. His wife sees it rather differently, and these differences come to the surface when, one Christmas, they celebrate their thirtieth wedding anniversary.

William Wharton does not over-ambitiously try to probe the ultimate meaning of existence. Rather, he gives us the interior monologue, in the continuous present (sometimes this becomes a little wearisome) of a man who cannot make his wife happy, despite his excellent intentions. It is all a little amorphous and sprawling, but amounts to a shrewd portrait of a man through his own account of himself, and it is relentlessly honest.

Martin Seymour-Smith

Spirit of revenge

A FAR CRY FROM KENSINGTON
by Muriel Spark. Constable. £9.95, 189 pages

NOVELISTS seem to claim proprietory rights to certain periods. For Graham Greene it is the 1930s, "the low dishonest decade" (in Auden's phrase); for Henry Green it was the 1940s, the pyrotechnic world of the Blitz and love in the black-out; for Muriel Spark the late 1940s and early 1950s, the time of austerity when the wartime camaraderie still prevailed and all the best people lived in bed-sits.

Spark is back there again in A Far Cry From Kensington, looking at that time with more detachment than she did in her early tales such as The Girls of Slender Means, and with clearly one or two old scores still to settle. This was the time when paper was still rationed but when small publishers of slim volumes mushroomed, giving a first showing on iniquitous terms to many young hopefuls, some of whom turned into the big literary properties of the 1960s migrating to larger publishers, as did Muriel Spark herself.

The period was essentially one of displacement, accompanied by cheerful resignation, a transient mood well caught in this work, as it ebnttles between several small publishing firms and literary magazines, probing into the private lives of their employees and authors.

The heroine, a young plump war-widow works for one such firm, whose head is such a blatant fraudster that it is only a matter of time before he goes to jail. We see her at work in the familiar inbred setting of of copy-editing and at home in the equally desperate battle to lose weight. Somehow as she sheds surplus tissue she liberates her own style and changes from the comfortable lady in whom everyone confides to a sharper, more confident and sexually aware woman.

Homa in those distant days was a cosmopolitan roominghouse in South Ken, whose other inmates, Milly the landlady, Wanda the refugee dressmaker, seem to have strayed out of Rattigan as do the vociferous Cypriots next door. Gradually something simmers on the gas-ring in the form of a plot coming up to the boil, a whiff of evil comes from the modest brew. Spark the moral theologian can find evil hidden in the most unlikely places. She sees the publisher, forging cheques to pay the printing bills, as merely a minor villain. The truly diabolical role is reserved for a literary poseur, a critic needless to say, who tries to use his youthful association with a famous lady novelist to batten upon her subsequent glory. Spark puts her black leather boot in and squashes him flat. Authors do sometimes get their own back. This is not one of Spark's best books by any means but not one to be missed either.

Anthony Curtis

Nato under pressure

BEYOND AMERICAN HEGEMONY: THE FUTURE OF THE WESTERN ALLIANCE
By David P Calleo. Wheatsheaf Books, 288 pages, £16.95

IN 1962, Baron de Rothschild prefaced some comments about Belgium's role in Nato by claiming that it was now the longest lived alliance since the Athenians organised the League of Delos in 477BC to repel Persian invaders.

Whatever the truth of that statement, it encapsulates the surprise, bordering on incredulity, with which many politicians regard the alliance. Its continued existence, despite periodic crises, might be thought something of a miracle given the diverse interests and geographic situations of the constituent countries, and the rapid post-war political and economic change which has characterised them.

Certainly Nato's history is punctuated by periodic crises and disagreements. But the one abiding certainty within Nato is that if keeping it going has been an arduous task, finding an alternative would be well nigh impossible. This has been a major factor in the alliance's longevity, and it has generated a curious complacency.

It has been accompanied by the pursuit of political unity at all costs. Thus despite fundamental differences over modernisation of short-range weapons and future arms control strategy, members of the Alliance meeting in Brussels earlier this month were at pains to stress their common cause.

As David Calleo points out, maintaining this unity has become more and more difficult, and the complacency is becoming dangerous. Nato faces a multitude of external and internal pressures, of which the military problems of defending Europe in the post-INF age are perhaps most immediate and closest to its heart.

But economic and political decoupling may, in the long run, prove at least as much of a threat as the strategic variety. "To address military and political problems while ignoring critical related economic ailments is analgous to a doctor setting a broken bone while his patient dies of a snakebite."

One of the central problems which Nato has always faced is its dual nature. It is both a politico-military alliance formed out of post-war fears about European security and the core set of relationships at the heart of the international system. As the latter, it is – depending on one's political perspective – either a way of co-opting Europe into supporting American domination, or a way of ensuring some transatlantic input into the conduct of US foreign policy.

The links between these two roles have proved increasingly difficult to sustain in the 1970s and 1980s. David Calleo sketches the way in which these fractures have emerged with a firm hand, if occassionally a rather impressionistic eye. He is rather given to statements like "Behind the technical role that the dollar played in the world economy lay the geopolitical hegemony of the United States," which is not particularly explanatory.

The volume does occasionally lack clarity and precision of argument. This is partially because analysing the entire world system in 220 pages plus copious footnotes is no mean task. As he himself comments, "to conceive of anything so abstract as a world system calls for imagination of a specialised nature," and at times this is lacking.

But this is also symptomatic of the problem. The book veers uncomfortably between several Great Debates: the American, European and Nato questions are certainly all interlinked, but to see them as variants of the same basic problem is misleading. David Calleo tends to see the key issue as the prolongation, or restructuring, of American hegemony, which may be correct, and reduces the other questions to facets of this, which is not.

His prescriptions are accordingly based on the greater devolution of power within the alliance. But, and as he recognises, to some extent this begs the question: power for what? Mr Calleo recognises thet snds, not just means, are up for grabs. But he laments that "To find a foreign policy appropriate for a plural world would require a powerful and sustained exercise of collectivs imagination . . . [which has] never evolved" in the American political system.

The question of changing ends is powerfully posed by the problem of the "third" pillar of Nato: the Soviet Union. The inability of alliance nations to agree on arms control questions at Brussels has much to do with differing attitudes towards Mr Gorbachev, his attempts to regenerate the Soviet economy and the so-called "peace offensive" which he has launched in Europe.

Nato's paradoxical relationship with the USSR was summed up by Mr Calleo in one of his earlier books: "If the Russian army ever does advance into Europe, it will be the most elaborately anticipated and least expected invasion in Europe's history." Even this fragile equilibrium is now, it seems, to be disturbed. As Georgi Arbatov, Moscow's leading Americanologist said to the New York Times: "We have a secret weapon which will work regardless of the American response – we would deprive Americans of the Enemy."

Andrew Marshall

Paper tiger culled

DISASTER: THE RISE AND FALL OF THE NEWS ON SUNDAY
by Peter Chippendale and Chris Horrie, Sphere (paperback) £3.99, 240 pages

AT LAST the News on Sunday has had a little luck, albeit posthumously. The left-of-centre Sunday newspaper which spluttered helplessly for seven months before expiring with total losses heading towards £10m, after first going into receivership, and then being temporarily rescued by Lancashire millionaire Owen Oyston, may well qualify as the most disastrous newspaper launch in history. At least the débâcle has inspired a distinguised obituary which will live longer than the memory of the newspaper. It is better written and a lot more interesting than anything that emerged from the computer system at the paper's Manchester headquarters.

The book should be read by everyone who thinks that it is an easy matter to set up a new national newspaper just because entry costs have been reduced by new computer technology and Rupert Murdoch has tamed the print unions.

It would also be a valuable textbook for business school courses - a living example of how talented people, inspired by an ideal, can get things totally and terminally wrong at every possible turning-point.

Peter Chippindale, the former Guardian reporter who was special projects editor and Chris Horrie who was in a charge of the colour section, one of the few bits of News on Sunday that came up with something original, make a persuasive case for the argument that this was more than the Left being unable to run a whelk-stall - although it was certainly that.

They conclude that it was the structure of the company that killed the newspaper, although the decision to set up camp in Manchester, when Britain is a country where virtually aspect of public life is dominated by London, certainly did not help.

The structure in question was dominated by a single factor – that there was a founder's trust with no financial stake in the outcome yet fully armed with a golden share as a weapon to enforce doctrinal purity.

There were additional factors of a more ordinary kind – namely, that a reputable market research group "proved" there was a space in the market for the product and were believed; and that at least some people thought the paper could somehow appeal both to the popular masses and the "caring" intellectual community. In the end it appealed to neither.

But the real achievement of Chippindale and Horrie is to set the fiasco firmly within the context of the realignment of the Left in the 1970s and the arrival of what the authors call the Right-on brigades schooled in the politics of anti-sexism and anti-racism.

"The sad facts about News on Sunday is that from the beginning it was a closed circle of the original people who kept the project very close to their chests, even as they tore each other apart," the authors argue.

The hidden agenda was the creation of a Rainbow alliance of media-wise radicals campaigning on issues such as the environment and nuclear power as well as racism and sexism.

"The wonderful vision arose of a publication which would be like the minutes of a gigantic nationwide meeting. Every cause - no matter how bizarre or obscure - could be represented simply by writing a story about it," Chippendale and Horrie argue.

All of those councils, union pension funds and high-minded individuals who invested £6.5m in the project should now read about how their money was used. It will come as news to most of them.

Raymond Snoddy

Kenneth MacMillan has created a new work for a new company. **Clement Crisp** reports on both.

Dance Advance with professional ease

DANCE ADVANCE is a company of six dancer-choreographers concerned with the possibilities of experiment in making classical ballet. Its members have been soloists with the Royal Ballet companies, and two – Susan Crow and Jennifer Jackson have *made professional choreography* for either the Royal or Sadler's Wells Royal troupe.

Constrained by the inevitable difficulties of producing new choreography within a large organisation, Dance Advance has operated intermittently during the past four years, through evenings of innovative dance-making. Now it has become a full-time ensemble, launched officially on Thursday night in the admirable theatre of Sussex University's Gardner Arts Centre, at the start of a regional tour. In addition to Miss Crow and Miss Jackson, the group boasts *Sheila Styles* and three exceptional male dancers: Michael Batchelor, Russell Maliphant, Stephen Sherriff.

It is, first of all, a rare pleasure to see an ensemble united in style and in that professional ease that marks young and gifted soloists. It is additionally a pleasure to welcome back to the local stage classic danseurs, too long absent from Britain: Mr Batchelor and Mr Sherriff. The company could not, though, have wished for a less secure baptism than they had during the first work in their programme. This was Choo San Goh's *Moments Remembered*, given its British premiere, set to the chromatic and scented maunderings of Skryabin's third piano sonata.

About Mr Goh's choreography, I can but report that it matches its score in turgid emoting, but *matters* were *in no* way helped by a stage made like a skating rink by having been washed just before the performance. *Still* slippery with water, it brought the dancers slithering to the floor. *The men* soon dispensed with shoes, so that their feet might get a better grip on damp linoleum; the women were more secure, but everyone trod with Agag-like delicacy. I like to think that this was also because they did not want to establish too close a contact with *the sickly matter of the ballet* – which purported to be about the nature of love. Amid these less than easy conditions, the dancers' qualities yet shone: the emotional and physical fluidity of the women, the fine classical style of the men.

The heart of the programme was a new work made specially for Dance Advance by Sir Kenneth MacMillan. Danced barefoot, (an added advantage on this occasion), *Sea of Troubles* examines the nightmare world of Hamlet's emotions when he learns the truth of his father's death. MacMillan's structural manner *is* notable: to the brevities of Webern's four epigrammatic pieces for violin and piano, he shows us what are in effect four snapshots of the characters he will use: Hamlet, Gertrude, Claudius, Polonius, Ophelia, the Ghost. Then to a selection of Martinu scores – the third piano trio and some works for 'cello and piano (all the music for the programme is liva, and well playad by the chamber group Quorum) – he plunges us, and his players, into enactments of various crises in the play. Questions of identity, not narrative, seem his concern; allusion not literal statement; the exorcising of psyches and not characterisation.

The piece is imaginatively decorated by Deborah MacMillan, the cast in modern dress, with crowns, a mad coat whose red *lining provides a stunning theat*rical coup, and a set comprising a single hanging white curtain which serves as arras. This economy – and the liberation of our imagination it encourages – marks the matter and the manner of MacMillan's dances. His style is more dense, even more forced from the psyche than usual. Gesture can seem to wrack the body: Ophelia's madness is like an erotic frenzy; the dead king's body haunts the relation*ship between Claudius and Ger*trude.

It is made more intriguing by shifts and doublings of interpretation – each of the men appears as Hamlet at one time or another, though Michael Batchelor seems chief player of the role, and is *magnificent. It is also a work* most surely conceived for its cast and for the nature of this venture. It demands closer study than this notice can provide: but even on a first viewing it shows a choreographer finding fresh challenges for dancers, for audiences and for theatre itself.

The statutory "light" piece to end the evening is a corporate creation by members of the company. *Classified* is about the world of personal advertisements *and the fantasies of those brave* souls who expose their desires in print in quest of a mate. The idea is an interesting one, and invites either serious or satirical treatment (preferably the latter). In this new piece it receives, alas, something in between, and goes on extravagantly too long. Tightened, sharpened, it may serve well enough – the artists' performances are focussed, and always engaging, even if the material is not. I would venture to suggest *that the company might consider* something lighter and more buoyant as an end to the evening

But the enterprise is launched and will surely make its way if *audiences will accept that ballet* can mean something more than *Swan Lake*. It offers fine dancing, and ideals about choreography that merit every encouragement and success.

Elvira Pallone, Giancarlo Ilari and Milena Metitieri in "Don Giovanni"

Molière con brio in Parma

Michael Coveney visits one of Europe's most interesting informal theatre companies

THE SUN shone in Parma, Italy, last weekend, where I had the good fortune both to bask *in* it and to see two Molière plays, *Don Juan (Don Giovanni)* and *Tartuffe (Tartufo)*, done with intelli*gence and panache by the* Collettivo di Parma, one of the most interesting informal theatre com*panies in Europe.*

This beautiful small city is always full of surprises. On this visit I was initiated in the mysteries of the Club Del 27, a dining club of 27 Verdi aficionados (he was born in nearby Busseto), one for each Verdi opera, plus the Requiem, who assemble in a candlelit cellar and regala their guests with a gusty "Va pensiero" and other Verdian knick-knacks before feasting and talking into the small hours.

Between *Molières*, I caught the final dress rehearsal of a fresh, bright new production of Donizetti's *L'Elisir d'Amore* by Francesca Zambella to designs by Nica Magnani – Toytown soldiers all in green on penny-farthings, the quack Dulcamara (Sesto Briscantini) descending on Adina's (Adelina Scarabelli) farm in a hydraulically operated hot *air balloon*. The mountainous American tenor Chris Merritt, something of a hot air balloon himself, is singing Nemorino, the orchestra is in the competent hands of Hubert Soudant.

There is no comparable design prettiness in the Collettivo's Molière. Nor should there be. In a city of such consuming sensual and architectural distinction, the Collettivo's work in their Teatro Due down by the river is a rigorous antidote. The company, which I first saw six years ago, has stayed together now for 20 years, adapting to the rigours and realities of middle-aged adult life after the first flush of conspiratorial student activity.

They *work together* without living together; a recent Sophoclean trilogy was a vivid demonstration of their creative evolution with the onset of families and the increasing awareness of mortality. In *Don Giovanni*, directed by Gigi Dall'Aglio with a plangent score composed and played at an electric organ by Alessandro Nidi, wa have the *dramatic anatomization* of the moment when the Don, an old man (Giancarlo Ilari), comes *alive in death.*

Molière's strange and most difficult play has only been thought of seriously this century, mainly thanks to Louis Jouvet's 1947 rediscovery. The Colletivo (using a translation by Luigi Lunari) start by not seeing it as a narrative of pathological sexuality. Their Don is a dreaming schemer in church who dresses for death *in a three-piece suit. He* becomes a civil gangster and is pulled through an altar by a large stone hand of the man he murdered.

This conjures such other eerily destructive cinematic band*shakes as devised by John Boor*man in *Deliverance* and Brian De Palma in *Carrie*. The food turns *to stone*, too. A fawning, canine doppelgänger (Marcello Vazzoler) falls off the altar and literally loses his marbles. Bits of the Commendatore are lying all over the shop. The powerful, sardonic Sganarelle of Roberto Abbati saves his tobacco speech until the end, having taken the Don on a picnic in front of the curtain during the interval.

The production works as a series of carefully composed surrealist tableaux, in a kind of defiant response to the play's curious inchoation. There is something new and unexpressed in this play and it has nothing to do with being set in a Sicilian sea port. Nica Magnani, tha designer, deposits us not too firmly in an ecclesiastical never-never land where the organ voluntaries are drowned in wurlitzer fairground music and where dalliance in the *pews is* overtaken by criminality on the streets.

Tartufo, in the smaller theatre, is a much simpler, starker affair, directed by Walter Le Moli in a glossy black box (designed by Tiziano Santi) which seems to buzz with the static of repressive puritanism. Orgone's family can barely speak to each other, let alone touch anyone. They assem*ble in evening dress, overcome* with snickers and giggles. Renato Padoan's insinuating religious hypocrite barely raises his voice or changes his expression all evening. His chief weapon is an *unassuming plausibility.*

The seduction scene is electrifyingly erotic because Elmira (the raven-haired Giovanna Bozzola) merely arches her back and bares her neck like a *sacrifical* lamb while Tartufo gathers ber hair, and fingers her chin, from behind. There is none of that riotously extravagant horseplay one usually gets in the middle acts. Orgone, played with a measured, clear-cut deliberateness by Paolo Bocelli, does not hide under a table bot sits quietly to one side of the traverse stage while Tartufo sets about his wife.

Salvatore Quasimodo's translation does not attempt an equivalent of Molière's verse and loses a lot of the bumour. But the production exerts a vice-like grip on the audience and is uniformly well played.

The veteran actress Paola Borboni, one-time associate of Pirandello and Duse, now 88 years old, joins the company as a guest to play Orgona's thoroughly duped and dominating mother. She does so with spirit and authority, cheerfully flourishing a steel crutch and a large diary in which most of her lines appear to be written in letters two feet high. There is nothing quite like being honest with your customers, which is something Don Joan *himself had to learn the hard* way.

Radio

Better use of space

THERE IS a quarter-hour programme on Radio 3 on Wednesdays, *Enquire Within* where the charming voice of Dilly Barlow *answers the trivial questions sent* in by listeners. Pip and Squeak, Irish boys' frills, silverfish, cousins german, St.John of Rila were swiftly and no doubt accurately dealt with. At the foot of the Radio Times entry, "see HEAR THIS, page 13," it said.

So I did. This feature is one of the few spaces the Radio Times can be relied on to make to radio, apart from the programmes, but it consists of little but plugs for broadcasters, mostly staff. I suppose it *may* appeal to *the listen*ers who send their letters to Dilly Barlow, but really it wasn't worth turning to page 13 for. *The* Radio Times, in fact, wants a good shaking. There are three appalling gossip pages ("Upfront") at the start; if there is a television equivalent of *Enquire Within – Ask Morgo*, perhaps – this must be for its devotees.

Back to radio, bowever. Why must Radio 4, thongb not the *other channels, so often reserve* programme details for e later page than ths first announcement? Saturday, *Money Box*, (details on Monday), *Science Now*, (details on Monday); Sunday, *Saved in the USA*, (details on Tuesday), even as far as *Analysis* on Thursday (details tomorrow). At least they don't hold them over for the following week.

I have not forgotten about *Australia* on Radio 4 on Sundays, where Part 8 has brought us to Ned Kelly (Sean Barrett); or *Whose is the Kingdom* on Radio 3 on Fridays, where in Part 5, Constantine has set his security chief, Jaxartes, to investigate the various Christian sects. But the six-part version of Thncydides's account of the Athenian assault on Syracuse, *The Sicilian Expedition*, beats them both for me, partly (only partly) because of the nearness of the chapters. I think the Radio Times might have given us a little sketch of the *Epipolae battlefield, so admi*rably described by Thncydides, who wasn't there. John Theocharis is the director.

The Image of God (Radio 4, Friday) begins a series of five English mystery plays, which I love. There is a fine cast, with Denis Quilley, Peter Jeffrey, Stephen Murray, Timothy West and Sue Jones-Davies. We are not told who had edited the text, *but* it sounds well, even if the delivery is sometimes too dramatic for my *taste and the music too civilised.* Martin Jenkins directed, originally for Radio 3.

Despite its putting-off name, I did my best to listen to Christina Reid's *My Name, Shall I Tell You my Name?*, but it turned out to be a sentimental duologue between Andrea, a girl growing up, and her grandfather, from whom she is now divided by politics. Not my cup of tea.

I have a great liking for Radio 3's scientific programmes, which *are presented as if to people* interested in science, without the chatty condescension we have elsewhere. There *is* a current series, *And Then There was Us*, presented by Colin Tudge, about the varieties of the *genus homo* from as far back as we know it. I was fascinated with Neanderthal man, from 30,000 years and more back – big and strong, meat-eaters, users of flint tools, aware of ornaments but not creative, with a social life, based on close groups moving about together, not unlike that of today'e Bushmen.

On the previous day, you might have thought that Radio 3's *This is Who We Are* was some kind of sequel; but no, it was a programme about Afro-American music in wbicb Christopber Small tried with records of artists as various as Count Basie, Aretha Franklin and Muddy Waters to show how both African and American (i.e. European) strains are beard in American black music. An old Africa hand in my way, I need convincing, but there are two more *programmes to* come.

B.A. Young

Sinfonietta favourites

LAST THURSDAY'S Sinfonietta concert offered no new works, but instead took the opportunity – which the orchestra's current 20th anniversary season makes especially appropriate – to revisit two successful recent Sinfonietta commissions from young English composers. The two works, by Robert Saxton and Mark-Anthony Turnage, were set amidst a selection of Sinfonietta favourites: Schoenberg's First Chamber Symphony to close the evening, Stravinsky's Three Pieces for string Quartet (rather unremarkably played) to open it, and Weill's *Kleine Dreigroschenmusik* at midpoint, the last-listed turned by the Sinfonietta wind and brass and conductor Lothar Zagrosek into a feast of wit, cut-and-tbrust excitement, and melodic delight.

Saxton's *The Circles of Light*, a chamber symphony for 14 players first given two years ago, is a dazzling piece – both by thematic intention (the inspiration was Dante's vision of the light of *God in The Divine Comedy*), and because of the brilliant success of its execution. The work is conceived as a rising out of darkness toward light, and as a structural cycle; the instrumental writing focuses upon the dramatic effects of such a conception by means of consistently vivid colour contrasts and timbral inventions.

But more remarkably – indeed, in a late-20th century context, quite extraordinarily – this is a stretch of music that *captures and sustains a sense of* ineluctable physical and spiritual movement. Saxton's direction and discipline of musical energies are so assured that the formal mastery of the music, with its pause for recapitulation midway, stands clear and appreciable even on only a single hearing. The performance seemed fired by the vitality of the music: on all counts, a stirring 20 or so minutes.

Turnage's On All Fours (1986) is perhaps a less obviously authoritative composition, but it too is full of vigour and individuality, and shows a distinct musical idea sharply grasped and put across. It is a kind of suite of Renaissance-inherited dances separated by refrains; but nothing could be further from polite, period-inflected pastiche. The roots of the internal forms are buried deep, and what strikes the listener most strongly are tha *rough edges and dark*, rather brooding colours that Turnage acquires from his foreground employment of saxophone and cello. Here, and also in the Weill, John Harle's saxophone playing deserved bouquets.

Max Loppert

Records

Interpreting Mozart

Mozart: Piano Concerto in A, K488; Piano Sonata in B flat, K333. Horowitz, Orchestra of La Scala; Milan/Giulini. Deutsche Grammophon 423 287-2
Mozart: Piano Concertos in B flat, K456 and C Minor, K491. Serkin, London Symphony/Abbado. Deutsche Grammophon 423 062-2
Mozart: Piano Concertos in D Minor, K466 and C Minor, K491. Gibbons, Orchestra of the 18th Century/Brüggen. Philips 420 823-2
Mozart: Piano Concertos in D Minor, K466 and C, K467. Bilson, English Baroqua Soloists/Eliot Gardiner. Archiv 419 609-2

THE APPEARANCE of almost any scrap of a Mozart manuscript at au auction these days is guaranteed to generate a rusb of interest and to set a new record *price*. Yet *there is no sum* that can buy us what we would dearly love to have beyond all else: an *aural document*, in which we can hear for ourselves how Mozart wanted the notes on those pages to sound when they became living music.

As we move further from his own time, that need starts to feel more – not less – urgent. The most recent batch of recordings devoted to his piano concertos is a more disparate, and bemusing, rag-bag of *interpretations* than can ever have been assembled in the space of a few months. Some *of the soloists use period instru*ments with the express intention of wiping the slate clean. Others continue to work as part of a known and evolving tradition – the most notable of them being none other than Vladimir Horowitz.

It can be argued both ways whether Horowitz's direct descendancy from legendary virtuoso figures such as Liszt and Moscheles is an advantage or a liability. (The original-instrument brigade would certainly say the latter.) He has not played much Mozart *before and so the decision* to take the composer on board at this stage of his career has raised some eyebrows. Interest in this recording of the delectable A major Concerto, K488 – his first of any Mozart concerto – has been intense, to say the least: the prospect of "Horowitz meets Mozart" is akin to a prize fight in the musical arena.

Nor are hopes of a lively spectator sport disappointed. It would have been frustrating if Horowitz *had let his audience down* by reining his talents in and playing the music in the trim and dainty style that some pianists used to pass off as Mozart earlier in the century. There are no kid-gloves here. The manner is tough and bracing, with Horowitz fairly walloping the bass notes, as though he wants to declare once and for all that there is no point in having a modern grand piano for Mozart if you are not going to make it sound like one.

The *instrument has countless* tone colours on offer and this is a pianist who is determined to use them all. Advance reports that filtered through from Milan at the time of the recording talked of a great artist toying with a composer whom he had probably found too footling before, and something of that feeling is to be found on the finished disc. Hardly a bar of the music is allowed to go past without Horowitz wanting to try out some *new effect or colour. The feeling* soon starts to sink in that an *essential element* of seriousness is missing.

When this is combined with Giulini's accompaniment – a brisk, tight-lipped affair, not at all well played by the La Scala orchestra – it is evident that tha result will be a most idiosyncratic performance. But in the last resort Horowitz *is* a great pianist and there are a few isolated passages on this disc where the fingers work their old magic afresh: the very opening phrase of *the Adagio, for instance*, voiced with a touch of that personal genius which must be tha envy of any workaday piano technician. If only it was all that good.

To appreciate just how inspirational his playing can be at its best, one has only to turn to the other conventional pianist of the group. Unlike Horowitz, Rudolf Serkin has spent the better part of a lifetime exploring, maturing and refining his feelings towards *this composer and so how he* managed to pass playing that is as laboured as that on his latest Mozart concerto disc is a mystery. Neither of the performances sounds less than a duty, grudgingly undertaken. And the stodgy accompaniments of Abbado and the LSO all too easily fall in with his mood – or perhaps it was he who fell in with theirs.

After this, the recordings on antbentic instrumants are another world. There is little *place for a virtuoso here, whether* the pianist wishes to be one or not. After decades of bearing these concertos performed on conventional grand pianos, it comes as a surprise to discover what the *real balance of a Mozart* concerto must have been like. It used to be a good test point of a recording if one *could hear* the strings over the piano in the first movement development of the D minor Concerto, K466, but with these performances one is hard put to catch the light tinkling of the fortepiano at all.

If that is the sound that Mozart expected, then so be it. But it makes life difficult today, wben comparisons have to made with *couventional performances and*, inevitably, neither John Gibbons nor Malcolm Bilson can be said to pack the punch of a Horowitz. (Of the two I prefer Bilson, for his clean and urgent playing is the more refreshing.) The real advance bere comes with tbe orcbestra and the now-familiar "original instrument" clarity: it is quite possible that lovers of the Mozart concertos are quite unaware of half the detail that can easily be heard on these two *new* releases.

To understand the "authentic" performances better, it is helpful to look back from *Mozart's* time as much as forwards. Don't think Chaikovsky or Rakhmaninov; think Bach and the Fifth Brandenburg Concerto, wbere the soloist is *primus inter pores*, starting off little more than a continuo and building his role up from there. Viewed in thet light, the sense of equality that one feels in the music-making of Bilson and John Eliot Gardiner, in particular, will seem more appropriate by half. Both of their per*formances are* also white *hot* with tension and energy. So, if a single choice of Mozart concertos has to be made, this *is decisively* the disc to take.

Richard Fairman

Chess No. 715
1 B-Q4 (threat 2 R-K3). If QxN ch; 2 B-N2,or if QxR; 2 Q-N5.

Dressed in woven air

THE DAUGHTER of the Mughal court ruler Emperor Aurangzeb was once accused of being immodestly dressed – even though she was wearing seven layers. *In fact, so ethereal were* the gossamer-fine Gangetic muslins that the court graced them with such *lyrical* names as "flowing water," or "woven air."

Gauzy muslins were woven from photee cotton grown on the riverbanks around Dbaka in what is now Bangladesh. Legendary in the ancient world, they remained the region's most celebrated textiles. Their production was stimulated by the requirements of the Mughal court after 1576, and by the West via the East India Company from the late 17th century.

In contrast to these noble weaves are the vibrant, utilitarian kanthas or quilts that were embroidered by married Bangladeshi women for domestic use. The fruits of these parallel – and unexpectedly complementary – traditions are on display at the Whitechapel Art Gallery until May 1 (sponsored by Jamdani and *The Red Fort resaurrants*).

Kanthas are effectively reused saris. Salvaged parts are stitched together in layers, the red and blue threads from their woven borders pulled out and used to embroider the quilts with bold designs of appropriate symbolic images. Tha technique was applied to ntilitarian wraps, purses or pillow cases, or for elaborate ceremonial bridal or prayer seats and the like.

Stitching style and design (there are *more than 50 different* stitches) vary according to region. While the standard format is of a central lotus, tree of life in each corner, and panels of mythical animals, birds and fishes, it is tha inclusion of domestic objects – from combs and mirrors to betel cutters and earrings – that give the kanthas a lively *autobiographical quality*.

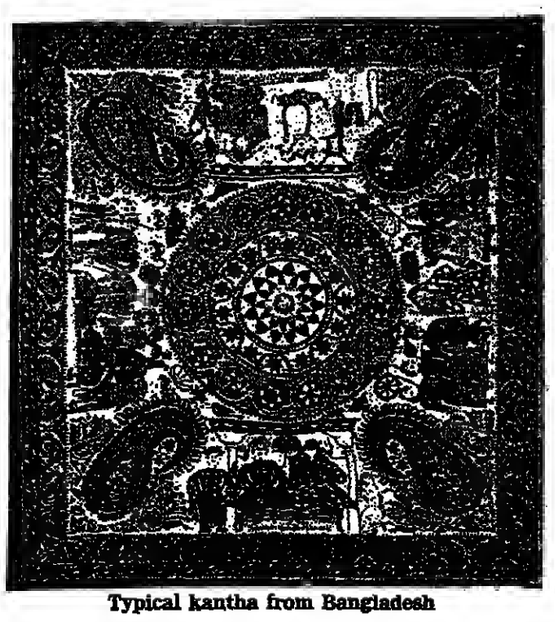
Like the kanthas on display, the muslins also date back to only the last century. Few Indian textiles survive from the previous *200 years, most* were washed to pieces. The show's major lender, the V&A, boasts the only extensive *collection of Dhaka muslin* in the world, collected as examples of current manufacture by John Forbes Watson.

The cotton for the muslins is spun by women but woven by men, the distinctive jamdani muslins, woven by Muslims, patterned on the loom. The technique is deceptively simple but it *requires remarkable* dexterity to make the distinctive jamdani repeating patterns of fruit, flowers or geometric shapes. No less light and exquisite is the chikan work, white muslin embroidered in white in patterns.

The Industrial Revolution almost proved the death knell for the production of luxury muslins, with the introduction of power looms, imported yarn and punitive taxes. In recent years much effort has been invested in assuring a market for the finest muslins, and ensuring that traditional skills and designs are retained and passed on to the *next generation*.

Since the war of independence *in 1971 the commercial* production of kanthas has become a new and valuable source of women's employment in Bangladesh. Sadly, the results diminish the achievement. Designs have become self-conscious and spiritless, less folk art than folksy.

Susan Moore



Typical kantha from Bangladesh

WEEKEND FT

• SPORT •

Rugby/**John Kitching** previews today's Five Nations' finale

France have the answers

IT IS a sad reflection on the recent England-Scotland game that the most dramatic play occurred *off* the field. The spin passing and drop-kicking of the *Calcutta Cup in the streets of* Edinburgh by players from both sides has now occupied more column inches than the reports of the game.

About £1,000 of damage is said to have been inflicted on the trophy, which is insured for £10,000. Earlier this week, someone remarked that the Calcutta Cup was now more like the Calcutta Shield.

As e result of the antics, John Jeffrey of Scotland has been banned from rugby until August 31 but the Rugby Football Union has not yet taken action (apart from an interview) against policeman Dean Richards, the England No.8, e partner in crime in the impromptu game.

Indeed, Richards appears for England against Ireland at Twickenham today in a team still desperate for a try.

Tony O'Reilly, the former Ireland wing, once said of a game: "There was less to this than met the eye." His remark could have been applied to the England-Scotland match; let's hope for better things from Twickenham.

The big game this weekend is, however, at Cardiff: the Grand Slam decider between Wales and France. It promises to be a very physical encounter, with France holding the bigger guns up front.

There is much joy in the Principality that their line-out specialist Robert Norster is fit again after trapping a shoulder nerve (yes, evan Bob Norster has nerves) in the match against Ireland. But there is a doubt over the fitness of outside-half Jonathan Davies, drop-goal expert and match-winner *par excellence*. He was nursing e calf injury sustained in training on Wednesday which, close to a crucial game, gives more power to the anti-training lobby.

France have had their worries, too. They have already lost Camberabero, Berot and Orso through injury. There is now a doubt over scrum-half Pierre Berbizier, who also has a calf injury.

France will probably have the edge in the front and back rows of the pack: but Condom and Lorieux are not in the same class as Norster at the line-out. There will be a particularly interesting duel between Wales' loose-head Staff Jones and France's tight-head Pascal Ondarts.

Ondarts, who is a Basque champion in several games of strength, is really a loose-head playing out of position against British Lion Jones. Theirs will not be a contest for the fainthearted.

At the base of the scrum, that old warrior Laurent Rodriguez is playing the kind of hard-driving, uncompromising game that has kept him in France's colours for so long: Paul Moriarty will have his work cut out to contain him.

Behind the scrum, *old* (as somebody called him this week) Serge Blanco is still worth his place. All right, so he's lost a bit of pace and is slower in turn, but as he has demonstrated several times this season he still has an eye for the counter-attack; the ability to turn a game round.

The result is difficult to predict. Wales have superb backs and an all-singing, all-shouting crowd to spur them on. There will be *huge* in abundance: but will it be enough? I have a sneaking suspicion that France will not let this crucial game slip away from them.

At Twickenham, there is much less at stake. As a result, it would be nice to think the ball will be thrown about, and that much-vaunted England wing Chris Oti will score at last for his try-less country.

Much will depend on the recently-recovered "Blackpool Tower" Wade Dooley at the *lineout. He takes on Ireland* captain Donal Lenihan, who is a world-class forward and a considerable inspiration to his team.

Fly-half Rob Andrew, who has done little so far to justify his recall, will be looking to play well against the Irish. On the end of Nigel Melville's long pass, everyone is hoping he will show the sort of form he so regularly displays for his club, Wasps.

The England pack have the beating of their Irish counterparts, but Ireland have the more penetrative midfield in Brendan Mullin and Michael Kiernan. The game is finely balanced, but it may well tip in England's favour (with or without tries).

The shouting will barely have died down before the status of this Five Nations Championship is placed firmly in context. This summer, England tour Australia and Wales visit New Zealand.

No matter how good this Welsh team have looked this season, they will probably come down to earth with a bump against the All Blacks, as they did in the World Cup rout. And England, who travel to Australia without their workhorse forward Peter Winterbottom, will probably suffer a similar fate.

England manager Geoff Cooke told me a few weeks ago about the gulf between northern and southern hemisphere playing standards. "There is a different level of commitment there, a totally different mental approach," he said. That will probably be the downfall of both England and Wales.

Business acumen is replacing chivalry, says **Nicholas Keith**

Fencers sharpen their act

FENCING IS undergoing a reformation which is propelling it from being e barge in e backwater ewash with 19th-century chivalry into e lean and seaworthy business machine equipped for the 1990s.

In essence, a large end unwieldy committee of 70 is being replaced by 12 elected "directors" and a *national* director of development is being appointed.

The changes are long overdue. *British fencers have fallen* behind East and West Europeans and the Chinese since the Fifties and Sixties when the sport was less professional. Then, there were Olympic medals from Gillian Sheen (gold in 1956) and Bill Hoskyns (epee team silver in 1960 and epee individnal silver in 1964).

The man behind the transformation is Nick Halsted, Amateur Fencing Association (AFA) president, who was a member of the epee team which won Britain's last medal in senior competition – a silver in the 1965 world championships. Late last summer, when he had been in the job a year, he realised that there had to be e radical reconstruction of the AFA's administration.

"At the moment the AFA is run by a committee of about 70 people, inclnding members and representative members," Halsted explains. "Only 50 or so have e vote – and not all of them turn np for meetings. But the committee is huge and inappropriate for making quick decisions.

"This is made worse as there is another committee which runs day-to-day work but has no real *authority. So, anything important* tends to go backwards and forwards between these two committees."

Halsted has spent the past six months laying the groundwork for a board of directors. He says: "These days we are running a business as well as a sport. We have taken it slowly so that people can come to terms with it, but so far only one person has objected."

The key requirement has been that the AFA committee should vote to abolish itself. At a meeting last Saturday it did just that by epproving "formal details." The next step will be an extraordinary general meeting in May to change the AFA's articles of association; followed by a ballot to elect the 12 directors who should be in place for the start of the new season in September. Then the fencing fraternity will embark on the financial trials and tribulations which are familiar to most sports, especially the minor ones.

At present, the AFA receives from the Government – via the Sports Council – a grant of £150,000, plus an annual bonus of £100,000 from the Olympic *review, set up after the Los* Angeles games in 1984 for several sports in a bid to improve British performances.

As Halsted points out, all sports authorities work on a six to eight year cycle, so the review will not achieve results before the 1990s. He is concerned that Sports Council funds will be cut this autumn at a time when fencing needs £500,000 "to develop the sport in the regions and to fund the top fencers to produce champions. We know that fencers in competitor countries receive between 10 and 50 times our present total grant."

Nevertheless, British fencers hava achieved good results recently against the odds. "I am far more optimistic now than four years ago," Halsted says. "Our foil teams have done relatively well and we have some people capable of getting into an Olympic final and even winning a medal."

One of these is Linda Martin who, aged 31, will be competing in her third and probably last *Olympics at Seoul in August.* Last year she finished third in e world-class event, Britain's best result for more than 20 years.

Ironically two Poles have contributed most to the sustenance of British foil fencing – Ziemek Wojciechowski, the national coach, and Tomek Walicki, his assistant. The AFA are about to eppoint e development officer who will also be national director of coaching.

If this reformation seems small, Halsted maintains that it is proof of the AFA's more businesslike approach and he hopes to be rewarded with a substantial Sports Council grant. The fencers badly need the breathing and development space of a reasonably generous four-year plan if they are to escape from their backwater.

Linda Martin . . last chance at Seoul

Barnet bid for the big league

Nearly there

IT IS JUST about the quintessential Thatcherite tale. Barnet, who hail not only from the prosperous south-east but from the Prima Minister's parliamentary constituency, look near-certain to replace Welsh club Newport in the Football League at the end of the season.

Even Barnet's leading personnel seem in tune with the times. Whether you prefer the tabloid newspapers' description of chairman Stan Flashman as "king of the touts," or the official definition of "ticket broker," the flamboyant Stan could plausibly be described as e man of the Eighties.

Of course, it is easy to overstretch such analogies. Last year saw the first automatic swap between the bottom club of the Fourth Division and the champions of the GM Vauxhall Conference. But the replacement of Lincoln by Scarborough was scarcely symptomatic of some overall economic trend.

When Stan Flashman first became involved in the affairs of Barnet Football Club, they were hardly the epitome of Thatcherite prosperity. "Barry Fry, the manager, came round to talk me into taking over the clnb in May 1985," recalls Stan. "The Inland Revenne was pressing for the payment of a debt of £20,000, there were other creditors knock*ing at the door, and the average* crowds were just 300 to 400."

Despite the problems, Flashman, who lives in Barnet and has had e *lifelong enthusiasm for* football, decided to take up the challenge. He must have doubted his judgment shortly afterwards when Fry was lured away to manage rivals Maidstone and Barnet slumped into the lower reaches of the then Gola League.

The clnb'e fortunes really started to improve when Fry returned 18 months later. There was already the nucleus of e good side – notably Dave Sansom, brother of Arsenal'e Kenny; Eddie Stein, brother of Luton's Mark and Brian; and Nicky Evans, the clnb'e leading scorer last season and the top striker in the whole of the conference this year.

Barnet opened the 1986-87 season by winning their first five away games and collecting 29 conference points from their first 12 matches. There then followed *a titanic struggle with Scarbor*ough for the title, which ended when the north Londoners lost at home to Stafford Rangers in the *penultimate game of the season.*

Despite that disappointment, the season had transformed Barnet's prospects. Average attendances rose by more than 1,000 a match to just under 1,800, the highest in the confarence and good news indeed for the club's finances.

This season, crowds are averaging around 2,200, a more than respectable attendance for a Fourth Division team.

Flashman is determined that league status will not reduce Barnet to penury once more. "I don't think teams can join the league with full-time players," he says. "Our players heve got good jobs elsewhere and will be happy to stay part-time."

Several team members have played for league clubs and Barnet can call on the experience of player-coach Steve Whitworth, who will be 36 tomorrow but who chalked up seven England caps *and* 353 league appearances for Leicester.

The social side-effects of football are well known, particularly to the inhabitants of Scarborough *who were given a violent baptism* in the league by the supporters of Wolverhampton Wanderers. But Flashman is confident that local people are behind the clnb. "There's real excitement in the borough at the team's progress," he says.

The clnb have had meetings with the local council and the police to discuss the effect of league entry. Barnet's ground is safe from property developers – the council owns the freehold and the clnb have e 99-year lease – and, with the help of grants from the Football Trust, many of the necessary improvements have been made already.

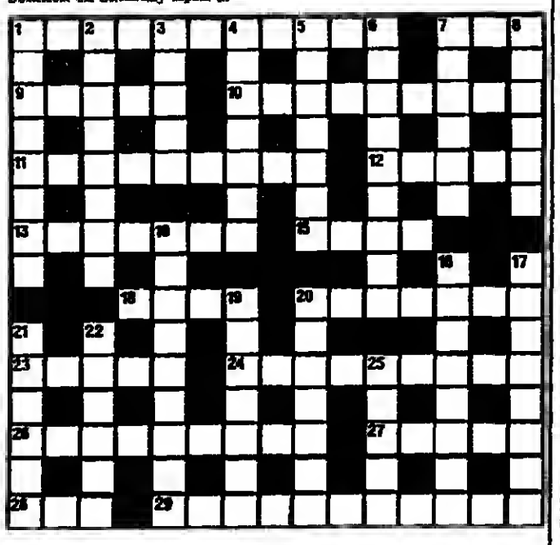
Flashman's hopes of glory could yet be dashed, though. Lincoln, still operating with professional players and eager to reclaim their league place, are only five points behind. Barnet's dreams may he of home ties against Liverpool but their immediate future is more prosaic – a etruggle for three points at Wealdstone today.

Philip Coggan

FT CROSSWORD No.6,585

SET BY GRIFFIN

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday March 30, marked Crossword 6,585 on the envelope, to the Financial Times, 10 Cannon Street, London EC4P 4BY. Solution on Saturday April 2.



ACROSS

1 Sack attractive girl (makes a lot of noise!) (11)
7 Information 28 removes from Swiss city (3)
9 Studies sad outcome after sovereign retires (5)
10 Tease French aunt, embracing naughty Lisa (9)
11 Many seek true version of "An Old Soldier" (6)
12 Competitor against entering beastly place backwards (5)
13 Critical of the port Sue's mad about (7)
15 Swindled and put on by middlemen (4)
18 Writing notes in a muddle (4)
20 A number agree to differ, as usual(7)
23 Say article is without sponsorship (5)
24 Mae recollects a state of effluence (9)
26 Worried businessman (9)
27 Excuse to bail out Irish leader (5)
28 Girl from Swiss city has 7 across missing (3)
29 Show monster movie in time (11)

DOWN

1 Leading some uprising in stronghold (8)
2 To restore confidence to users are redesigned (8)
3 Cold teas arranged for class (5)
4 Bill rests, prepared to become a thespian (7)
5 Generous communist family (7)
6 Put in new order for back stove (9)
7 Mourn the first girl I ever tangled with (6)
8 Intense rivalry has e point (5)
14 Use too much tin? (9)
16 Leading builder in Celais rebuilt one church (8)
17 Intend to spell "interval" (8)
19 Bone some say a bird swallowed (7)
20 A small group on leave (7)
21 Tactless when left in Paris (6)
22 For years Dan arranged the programme (6)
25 Sailor with unusually fat behind (5)

Solution to Puzzle No.6,584

Solution and winners of Puzzle No. 6,573

Mr A. Agius-Cesareo, Kappara, Malta; Mrs J. Dowie, Crieff, Perthshire; Mr K. Hargrove, Bude, Cornwall; Mr W.E. Lawman, Glenfield, Leicester; Mr J.K. Wylie, Comber, Co. Down, N. Ireland.

TELEVISION AND RADIO

SATURDAY

†indicates programme in black and white

BBC1

6:55am Saturday Starts Here. 8:40 Roland's Rat Race. 9:05 Kleyhw. 9:30 Going Live! 12:12 pm Weather. 12:15 *Grandstand* including 12:20 Rugby Preview; 12:30 Football Focus; 1:00 Racing from Lingfield; 1:10 News; 1:15 Ice Hockey; 1:30 Racing from Lingfield; 1:40 Ice Hockey; 2:00 Racing from Lingfield; 2:10 Ice Hockey; 2:20 Rugby: Wales v France; 4:00 Football; 4:10 *Snooker: final of the Fersina Windows World* Cup; 4:30 Rugby; 4:35 Final Score.

5:05 News. 5:15 Regional Programmes. 5:20 First Class. 5:35 Jim'll Fix It.

6:25 Film: "Chisum" with John Wayne. 8:15 Bob Says Opportunity Knocks. 9:30 News and Sport. 9:15 Cagney and Lacey. 10:05 Film: "Dreamscape" with Dennis Quaid, Max Von Sydow and Christopher Plummer. 11:40 Snooker: last frames of the final of the Fersina Windows World Cup.

BBC2

2:45 pm Network East. 3:35 Interval. 3:40 Stop the Wedding. 4:10 Rugby Union: England v Ireland at Twickenham. 5:45 Snooker: first eight frames of the final of the Fersina Windows World Cup. 6:15 Espana Viva. 6:35 The Week in the Lords. 7:15 Newsview. 7:55 "Curlew River": Benjamin Britten's re-creation of a traditional Japanese story involving a mad woman who has lost her child. Lionel Friend directs the performance by *Nexus Opera with Rhetoric by William Plomer.* 9:15 The Film Club: Independent producer Lynda Myles introduces two films, by the director Max Ophuls, set in 1900s Vienna. 10:15 Film: "A Letter from an Unknown Woman" with Joan Fontaine and Louis Jourdan. 11:45-12:15 am Film: "Liebelei".

LONDON

6:00 am TV-am Breakfast Programme. 9:25 773. 11:55 Terrahawks. 12:20 The Roxy - The Network Chart Show. 12:55 Cricket: New Zealand v England one day match (highlights). 1:00 News. 1:45 LWT News followed by Saint & Greavsie. 3:35 Wrestling. 4:15 Comedy Classic: Please Sir! 4:45 Women's Hockey: The Tipp-Ex Trophy, England v Spain from Wembley Stadium. 4:30 Walt Disney Presents. 4:45 Results Service. 5:00 News. 5:05 LWT News followed by *All.* 5:35 Connections.

6:05 Catchphrase. 6:35 Bobby Davro's TV Weekly. 7:00 You Bet! 8:05 Murder She Wrote. 9:00 News. 9:30 London's Burning. 10:30 Aspel & Company. 11:05 Drive-In Movie: "Night Partners" with Yvette Mimieux and Diana Canova, followed by *ITN News Headlines.* 1:00-6:00 am Night Network.

CHANNEL 4

9:25 am Old Country. 10:00 4 What It's Worth. 10:30 "Million Dollar Mermaid": Esther Williams stars with Walter Pidgeon and Victor Mature. 12:30 pm Empress Wu. 1:00 A Tale of Two Sisters. 12:00 "Nancy Steele is Missing": Victor McLaglen stars with Walter Connolly, Peter Lorre and June Lang. 3:40 "A Window in London" with Michael Redgrave. 5:05 Brookside Omnibus. 6:00 Right To Reply. 6:55 Scottish Eye. 7:00 News Summary followed by Seven Days. 7:50 Memories of China. 8:20 Amen. 9:00 South Riding. 10:00 Black Forest Clinic. 10:30 The Comic Strip Presents. . . Didn't You Kill My Brother? 11:05 Badminton: Yonex All England Open Championships. 11:35 am "He Who Rides a Tiger" with Tom Bell, Judi Dench and Paul Rogers.

S4C WALES

10:00 am Dispatches. 10:45 What The Papers Say. 11:00 Mavis On 4. 11:30 Time To Remember. 12:00 Before the Law. 112:30 pm Bilems Pleasyr "Llec Time". 1:00 O'r Mass a Mwy. 1:30 Scales of Justice. 2:00 Path of the Rain God. 2:35 Right To Reply. 3:00 Gallery. 7:00 Pottery Ladies. 7:30 Newyddion. 7:40 Stumiau. 8:30 Elinor. 9:05 Y Maes Chwarae. 10:00 The Golden Girls. 10:55 The Media Show. 11:35 Yonex All England Open Badminton Championships. 12:35 am Feature Film: "He Who Rides a Tiger" with Tom Bell and Judi Dench.

HTV Regions as London except at the following times:

ANGLIA

1:05 pm Anglia News and weather. 2:05 pm Anglia News, Sport and Weather. 2:20 Walt Disney Presents. 11:05 Drive-In Movie: "Tigers Don't Cry" with Anthony Quinn and John Philip Law.

BORDER

12:00 The Man From UNCLE. 2:05 pm Crazy Like a Fox. 11:35 Late Film: "A Touch of Scandal" with Angie Dickinson, Jason Miller and Robert Loggia.

CENTRAL

11:30 am Family Feature Film: "Parent Trap II" starring Hayley Mills. 12:45 pm Central Sportsword. 1:05 The Big Match. 11:35 Super Spies Double Bill: "The Liquidator" with Rod Taylor and Trevor Howard. 1:30 am "KGB – The Secret War" with Michael Billington, Denise DuBarry, Sally Kellerman and Michael Ansara. 3:35 Rock on Central: Tina Turner. 4:35 Central Jobfinder. '88.

CHANNEL

11:20 am Roxy – The Network Chart Show. 11:30 Knight Rider. 12:00 pm Today's Weather. 2:15 Rallycross.

GRAMPIAN

2:30 pm Blockbusters. 11:35 Meltdown. 12:05 am Alfred Hitchcock Presents. 12:35 am Reflections.

GRANADA

11:20 am The New Fantastic Four. 11:35 Cartoon. 12:00 pm The Man from U.N.C.L.E. 11:05 The Big Match. 12:35 Super Spies Double Bill: "The Liquidator" followed by News Headlines.

1:00 am Super Spies Double Bill: "KGB - The Secret War" followed by News Headlines. 3:35 Formula One. 4:35 Meltdown.

HTV

12:00 Small Wonder. 12:30 pm America's Top Ten. 11:05 "Nine to Five" with Jane Fonda, Lily Tomlin and Dolly Parton. 1:05 am Suzanne Vega - Live at the Albert Hall. 1:50 Sledge Hammer!

SCOTTISH

12:00 Knight Rider. 12:30 pm Terrahawks. 2:35 Blockbusters. 11:05 Kojak. 11:55 Super Spies Double Bill: "The Liquidator" starring Rod Taylor, Trevor Howard and Jill St John, followed by News Headlines. 1:45 am Super Spies Double Bill: "KGB - The Secret War" (TV movie), followed by News Headlines. 2:30 Formula One. 4:35 Jobfinder.

TSW

11:00 am Roxy – The Network Chart Show. 11:00 Gus Honeybun's Magic Birthdays. 11:30 The Man From U.N.C.L.E. 12:30 pm The South West Week. 2:15 Gardens For All. 4:30 Cartoon Time. 5:05 Newsport. 5:10 Walt Disney Presents. 5:25 Gus Honeybun's Magic Birthdays. 5:35 Blockbusters. 11:05 Feature Film: "Cuba Crossing" with Stuart Whitman and Robert Vaughn. 12:40 am Postscript.

TVS

11:00 am Roxy – The Network Chart Show. 11:30 Knight Rider. 2:15 pm Rallycross: The Shell Oil Classic from Brands Hatch. 4:30 The Classic Cartoon.

TYNE TEES

11:00 am Roxy – The Network Chart Show. 11:30 "Blondie's Blessed Event" with Penny Singleton. 11:30 pm International Cricket: New Zealand v England – One Day Match. 12:05 am Meltdown. 1:05 Poetry Of The People. 1:10 Jobfinder.

ULSTER

11:00 am Roxy – The Network Show. 11:30 Feature Film: "The Hand of the River" with Sabu and Esmond Knight. 1:00 Ulster Newstime. 5:00 Ulster Newstime. 5:17 Ulster Newstime. 11:05 Waltenberg: "Lost Hero" with Richard Chamberlain. 12:05 am Ulster Weather

YORKSHIRE

11:00 am Roxy – The Network Chart Show. 11:30 Mr Merlin. 12:00 The Man From U.N.C.L.E. 11:05 International Cricket – New Zealand V England (highlights of the one-day international). 12:35 am Appointment With Fear: "From Beyond the Grave" with Peter Cushing, Donald Pleasence and Diana Dors. 1:00 Meltdown. 2:00 Jobfinder.

RADIO

Stereo on FM

BBC RADIO 2

9:05 am David Jacobs. 9:00 Sounds of the 50s with Jerry Lordan. 10:30 Anne Robinson. 12:00 Gerald Harper. 1:00 pm The News Huddlines. 1:30 Sport on 2 including Football; Rugby Union (England v Ireland, Wales v France); Cricket (New Zealand v England, one-day International); Racing from Lingfield. (5:00 Sports report). 6:00 Tunes the Backers Wished... 8:00 The Seven Ages. 7:30 Pop Score. 7:30 Gala Concert. 8:30 Benny Green Meets the Prisoner of Zenda. 9:30 String Sound. 10:30 Martin Kaiser. 12:05am Night Owls with Dave Gelly. 1:05 Bill Rennelin presents 'Nightride'.

BBC RADIO 3

7:00 am Morning Concert (7:30 News). 8:05 News. 8:00 Bach Cantatas. 9:15 The Week on 3. 9:55 Saturday Review. 1:00 pm News. 1:05 Taking Issue. 1:30 Schubert from Hohenems. 2:45 From the Proms 87: Oslo Philharmonic Orchestra conducted by Mariss Yansons: Shostakovich (Symphony No 6 in B minor); (3:15 Interval Reading); 3:20 *Strauss (Symphonic poem: Ein Heldenleben).* 4:20 Debut: Strauss (Nacht: Die Nachtigall), Berg (Seven Early Songs). 5:00 Jazz Record Requests. 5:45 Critics' Forum. 6:35 Bach and Brahms played by Allan Schiller (piano). 7:15 Irving at West Point: Peter Barker reads Bram Stoker's account of a performance by Sir Henry Irving as Shylock. 7:30 Marriner and the Academy. Chorus and Academy of St Martin-in-the-Fields conducted by Neville Marriner; from London's Royal Festival Hall: Ravel (Suite: Ma mere l'oye), Charpentier (Te Deum). 8:10 Poetry Now. 8:55 Marriner and the Academy, part 2: Bach (Magnificat in D). 9:10 Privatisation – Mark Two. Professor Leslie Hannah on the Government's proposals for privatising electricity. 9:30 Britten and Beethoven played by the Brodsky String Quartet. 10:30 Equale Brass with Gareth Stuart (electronics). 11:45 For Julian Bream: Walton (Five Bagatelles). 12:00-12:05 am News.

BBC RADIO 4

7:00 am Today. 9:00 News. 9:05 Sport on 4 with Cliff Morgan. 9:30 Breakaway. 10:00 News; Loose Ends hosted by Ned Sherrin. 11:00 News; The Week in Westminster. 11:30 From Our Own Correspondent. 12:00 Money Box. 12:25 pm The Hitch-Hiker's Guide to the Galaxy (s). 12:55 Weather. 1:00 News. 1:10 Any Questions? 1:55 Shipping Forecast. 2:00 News; A Time for Age. 2:30 News; Sanctions (s). 4:05 Science Now. 5:00 Conversation Piece. 5:25 Week Ending. 5:50 Shipping Forecast. 5:55 - 6:00 Weather.

6:05 News, including Sports Round-Up. 6:30 Citizens (s). 7:15 Stop the Week (s). 7:45 Saturday Night Theatre (s). 9:15 Music in Mind (s). 9:50 Ten to Ten (s). 9:55 Weather. 10:00 News. 10:15 The Saturday Feature: "Sharing the Pen" (s). 10:45 *Writers on Blue Paper.* 11:00 Cabaret Upstairs (s). 11:30 Unnatural Acts (s). 12:00-12:30 am News.

SUNDAY

†indicates programme in black and white

BBC1

6:55 am Play School. 9:15 Sunday Worship. 10:00 What on Earth ..? 10:30 Business Matters. 10:50 Telejournal. 11:20 Greek Language and People. 11:45 People First. 12:15 pm Sign Extra. 12:55 Farming. 1:00 Weather for Farmers. 1:00 This Week, Next Week.

1:00 EastEnders. 1:30 Film: "Great Expectations" with John Mills, Alec Guinness and Valerie Hobson. 4:55 The Pink Panther Show. 5:15 Fax. 5:40 Antiques Roadshow. 6:35 News. 6:40 Songs Of Praise. 7:15 All Creatures Great and Small. 8:10 Ernie Wise Introduces The Morecambe and Wise Classics. 9:00 News. 9:15 That's Life! 10:00 Life Without George. 10:30 Heart Of The Matter. 11:45 The Greeks Have a Word For It. 11:35 The Sky At Night. 12:00 Network East.

BBC2

1:15 pm Horizon: Purple Warrior – Limited War. 2:00 International Rugby Special. 3:05 "The Yeomen of the Guard". Television production of *Gilbert and Sullivan's light opera with Joel Grey,* Geoffrey Chard, Alfred Marks, Elizabeth Bainbridge, the Ambrosian Opera Chorus and the London Symphony Orchestra. 5:35 Flamenco at 5.15. 5:55 Music in Camera. 6:35 The Money Programme. 7:15 The International Pro-Celebrity Golf. 8:05 Discoveries Underwater. 8:55 Old You See...! 9:05 Showtime at the Apollo. 10:05-11:35 Screen Two: The Silent Twins.

LONDON

6:00 am TV-am Breakfast Programme. 9:25 Wake Up London. 9:55 Fraggle Rock. 10:00 773. 10:30 Follyfoot. 11:00 Morning Worship. 12:00 Weekend World. 1:00 pm LWT News. 1:05 Police 5. 1:10 LWT Action. 1:15 Link. 1:30 The Smarts. 1:45 My Little Pony. 2:00 Encounter. 2:30 The Big Match Live: Everton v Liverpool from Goodison Park. 4:30 Mr Majeika. 5:00 Disney Family Movie: "Casebusters". 6:00 Bullseye. 6:30 News. 6:30 LWT News.

6:40 Appeal. 6:45 Highway. 7:15 A Fine Romance. 7:45 The British Academy Awards. 10:00 News. 10:10 LWT Weather. 10:15 Hot Metal. 10:45 The South Bank Show. 11:45 D C Follies. 12:15 am Australia 200 - Australian Heritage: The Reef, followed by *ITN News Headlines.* 1:10-5:15 Night Network.

CHANNEL 4

2:25 am Movie Mahal. 10:00 The World This Week. 11:00 Gumtree. 11:15 Helping Henry. 11:30 The Waltons. 12:30 pm A.P.B. 11:30 "Lost in Space". 12:30 "Miss London Ltd". 1:20 Cameraman at War. 4:40 Gallery. 5:10 News Summary. 5:15 The Business Programme. 6:00 Badminton: *The Yonex All-England Open Badminton Cham*pionships. 6:25 Jesus of Nazareth. 8:05 The Stocks and Shares Show. 8:50 The Modern World: Ten Great Writers 9:45 Badminton: The Yonex All-England Open Badminton Championships. 10:45 "The War Wagon" with John Wayne, Kirk Douglas, Howard Keel, Robert Walker and Keenan Wynn. 12:40 pm Cinema from Three Continents: "Up to a Point".

S4C WALES

2:00 am Halec. 10:00 The World This Week. 11:00 7 Days. 11:30 The Waltons. 12:00 pm How Does Your Garden Grow? 1:00 Yo Ol Ei Droed. 1:00 Dilyn Neu. 2:00 Feature Film: "Start" starring Julie Andrews, Richard Crenna and Michael Craig. 3:15 The Business Programme. 6:00 Yonex All-England Open Badminton. 6:05 Chinese Theatre. 10:45 Ordinary People. 7:15 Wi Cwac Cwac. 7:20 Newyddion. 7:30 Cadwya Caredi. 8:30 Pobol Y Cwm. 9:30 Dechrau Canu, *Dechrau Cannod.* 2:00 *Hot Season.* 2:30 Sian. 10:15 Nid Oes Neb Wedi Gwaid Dim Eriod. 10:20 St Elsewhere. 11:15 The Twilight Zone. 11:40 Yonex All-England Open Badminton Championships.

HTV Regions as London except at the following times:

ANGLIA

2:00 pm Speedy and Daily. 1:00 pm Link. 1:15 Bioscope Bygones. 1:20 Anglia News. 1:25 Weather Trends. 1:30 Farming Diary. 6:30 Anglia News.

BORDER

9:05 am Speedy and Daily. 1:00 pm Farming Outlook. 1:30 Border News. 1:35 Link. 1:30 Live Soccer Extra. 11:05 Scrumdown.

CENTRAL

9:30 am Speedy and Daily. 1:00 pm Central News. 1:05 Central Post. 1:15 Link. 1:30 Here and Now. 2:00 Mr Merlin. 3:30 Highway to Heaven. 6:00 Central News. 11:05 Prisoner: Cell Block H. 11:55 am The Twilight Zone. 1:10 "McVicar" with Roger Daltrey, Adam Faith and Cheryl Campbell. 3:15 World Championship Boxing. 4:15 Central Jobfinder.

GRAMPIAN

9:30 am Cartoon: "Speedy and Daily: Music Mice Trio". 11:30 Cartoon Time. 11:15 Link. 11:30 Encounter. 1:00 pm Farming Outlook. 1:30 Scotsport: Rangers v Celtic. 4:00 Grampian Sheepdog Trials. 5:30 In Loving Memory. 6:30 Survival. 11:45 Scrumdown. 12:35 am Reflections.

GRANADA

9:25 am Speedy and Daily. 1:00 pm Members Only. 1:05 Action Point: This Is Your Right. 1:35 Asp Kaa Hak. 1:40 Link. 5:00 Highway To Heaven. 11:45 Prisoner: Cell Block H. 12:45 am The Twilight Zone. 1:10 "McVicar" followed by News Headlines. 3:15 World Championship Boxing. 4:15 Jobfinder.

HTV

6:35 am Speedy and Daily. 1:00 pm HTV News. 1:20 Farming Wales followed by Weather for Farmers. 1:30 Cartoon Time. 1:45 Link. 5:35 Highway to Heaven. 8:30 HTV News. 11:45 America's Top Ten.

TSW

9:25 am Speedy and Daily. 1:45 pm Farming News. 1:30 Fisheries News. 1:40 Link followed by South West Link. 5:05 TSW News. 11:45 Kojak. 12:45 am Sunday Review.

TVS

9:30 am Speedy and Daily. 1:00 pm TVS News. 1:05 Link. 1:20 Action! 1:00 Enterprise South. 1:57 TVS Weather.

TYNE TEES

9:25 am Hello Sunday. 1:00 pm Farming Outlook. 1:30 Regional News. 1:35 Cartoon Time. 1:45 Link. 5:05 The Duck Factory. 6:30 Northern Life - Sunday Edition. 11:45 Nine To Five. 12:15 am Northern Opera Sing. 12:30 Jobfinder.

ULSTER

9:30 am Speedy and Daily. 12:30 pm Ulster Newstime. 1:00 Ask Anne. 1:30 Advice With Anne Hailes. 1:55 Farming Weather. 2:30 Ulster Newstime. 10:12 Ulster Newstime. 11:45 Crazy Like A Fox. 12:40 am Sports Results. 12:45 Ulster Weather.

YORKSHIRE

9:30 am Speedy and Daily. 1:00 pm Cartoon Time. 1:10 Link. 1:25 Farming Diary followed by farming and inshore weather. 11:55 Scrumdown: Castleford v Halifax. 12:55 am Five Minutes. 12:58 Jobfinder.

RADIO

Stereo on VHF

BBC RADIO 3

7:00 am Sunday studies for piano by Czerny and Chaminade. 7:30 News. 7:35 Langham Chamber Orchestra. 8:30 News. 8:35 Your Concert Choice. 10:30 Music Weekly. 11:15 Edward Downes conducts the BBC Philharmonic Orchestra: Vaughan Williams (Symphony No 4 in F minor), Sibelius (Symphony No 1 in E minor). 12:30 pm Words with Nicholas Penny, Keeper of Western Art at the Ashmolean Museum, Oxford. 12:55 Gorgy Pauk and Rafi Gothoni (violin and piano): *Prokofiev (Five Melodies, Op 35b), Lutoslawski (Partita),* Janacek (Sonata). 1:30 Writers Talking. Writer Muriel Spark in conversation with Paul Bailey. 2:00 Music for Clarinet and Piano played by David Campbell and Andrew Ball: Bax (Sonata in D), Roger Steptoe (Two Impromptus), *Alun Hoddinott (Sonata Op 30).* 2:45 "I Puritani", opera in two acts, music by Bellini, libretto by Carlo Pepoli, sung in Italian.

5:30 Celebrity Recital: Oleg Kagan (violin) and Natalin Gutman (cello): Honegger (Sonatina), Hindemith (Sonata, Op 25 no 3), Isang Yun (Konfiktches Thema), Ravel (Sonata). 6:30 And Then There Was Us. 7:15 The Italian Concerto by Bach: Andras Schiff (piano). 7:30 BBC Welsh Symphony Orchestra with Swansea Bach Choir and Dong-Suk Kang (violin) from St David's Hall, Cardiff: Alun Hoddinott (The Sun, the Great Luminary of the Universe), Elgar (Violin Concerto in B minor op 61); (8:30 Starlit Corridors, a sequence of poems about space and space travel.) 8:50 Holst (Suite: The Planets). 9:50 Bernard Van Dieren. 10:30 Choral Evensong. 11:45 *Heinz Holliger (oboe) with I Musici: A Marcello* (Concerto in D minor). 12:30 News. 12:35-12:40 am Wolf Sk: Sieben Liebeslied eines Madchens, performed by Edita Gruberova (soprano) and Irwin Gage (piano).

BBC RADIO 4

7:00 am News. 7:10 Sunday Papers. 7:15 On Your Farm. 7:40 Sunday Including 7.55 Weather 8.00 News 8.10 Sunday Papers. 8:30 The Week's Good Cause. 8:35 Weather. 8:38 News. 8:45 Sunday Papers. 9:15 Letter from America by Alistair Cooke. 9:30 Morning Service. 10:15 The Archers. 11:15 News Stand. 11:50 Pick of the Week (s). 12:35 pm Desert Island Discs (s). 12:55 Weather. 1:00 The World This Weekend. 1:05 Shipping Forecast. 2:00 Gardeners' Question Time. 2:35 Australia (s). 3:30 The Radio Programme. 4:05 News; *Northern Light - A Life of St Cuthbert.* 4:47 A Geordie in NK. 5:00 News; Down Your Way.

5:50 Shipping Forecast. 6:00 Weather. 6:00 News. 6:15 For He In An Englishman. 6:30 International Assignment. 7:00 News; Granny Goes to Sea (s). 7:30 Fear on 4 (s). 8:00 Bookshelf. 8:30 I Didn't Expect Salad. 9:00 News; The Cost of Discipleship. 9:15 The Natural History Programme. 9:30 Weather. 10:00 News. 10:15 Soundtrack. 11:00 In Committee. 11:30 Seeds of Faith (s).

Morecambe and Wise classics 8.10pm, Sunday, C4